

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 1, 1998

ALL COUNTY LETTER NO. 98-45

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS

REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

**SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
(CalWORKs) GRANT STRUCTURE AND AID PAYMENT REGULATIONS**

REFERENCE: Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997); ACL 97-59

The purpose of this letter is to transmit to the County Welfare Departments (CWDs) emergency regulations on the CalWORKs grant structure and aid payment. The attached emergency regulations (Attachment 1) were submitted to the Office of Administrative Law with an effective date of **July 1, 1998**.

These regulations reflect those policies previously stated in ACL 97-59 and provide the following additions or clarifications:

Section 44-101.612 - clarifies that disability-based unearned income includes private disability insurance benefits. Private disability insurance benefits include all employer-sponsored disability insurance benefits for which there is an employee contribution.

Section 44-111.22 - clarifies that income received from the College Work Study Program will continue to be exempted as income.

Section 44-207.112 - clarifies that the MBSAC is still used to determine financial eligibility for applicants, the value of in-kind income for the AU, the amount of income from a sponsor available to a sponsored alien, the period of ineligibility for non-qualifying withdrawals from restricted accounts and transfer of assets.

Section 44-316.9 - adds that the Zero Basic Grant applies in cases where the grant is reduced due to the imposition of penalties.

Section 44-402.7 - clarifies how the Reduced Supplement Payment (RISP) is calculated under the new grant structure, and that the 25% penalty, for failure to cooperate with the District Attorney in the child support process, is considered as available income in calculating the RISP payment.

Also attached are updated Notices of Action (NOAs) which have been numbered to reflect the corresponding regulation sections (Attachment 2). Counties should call the Forms Management Bureau at (916) 654-1907 or CALNET at 437-1907 for camera ready copies of any form, NA form, NOA message or suggested informing language in any language. However, counties that provided Language Services Bureau with a county contact and the specific languages (Spanish, Chinese, Cambodian, Vietnamese and Russian) will automatically be sent those languages as soon as the document (form/NA form/NOA message informing notice) is translated.

CDSS will also issue further ACLs with emergency regulations for other provisions of AB 1542. If you have any questions regarding the grant structure, please contact Cora Myers at (916) 654-2236 or CALNET 454-2236 and Marilyn Delgado at (916) 653-5830 or CALNET 454-5830 for questions regarding the treatment of income.

Sincerely,
Original Document Signed By
Bruce Wagstaff on July 1, 1998
BRUCE WAGSTAFF
Deputy Director
Welfare toWork Division

Attachments

Amend Section 44-101 to read:

CHAPTER 44-100 INCOME

44-101 INCOME DEFINITIONS

44-101

Income, generally, is any benefit in cash or in kind which is in fact currently available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the ~~AFDC~~ cash aid payment, income must, in fact, be currently available to needy members of the family in meeting their needs during the budget period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of ~~assistance~~ cash aid to which ~~he~~ the recipient is entitled.

.1 Separate and Community Income (Continued)

.12 Community income is: (Continued)

.1253 (Continued)

.5 Earned Income

.51 Earned income is income received in cash or in kind as wages, salary, employer provided sick leave benefits, ~~State Disability Insurance benefits; Temporary Worker's Compensation benefits;~~ commissions or profit from activities such as a business enterprise, farming, etc., in which the recipient is engaged as a self-employed individual or as an employee.

.52 Earned income also includes: (Continued)

.525 Training incentive payments and work allowances under ongoing manpower programs, other than Welfare-to-Work (formerly GAIN) and JTPA.

.526 Earnings from On-the-Job Training (OJT) ~~and earnings from Public Service Employment.~~ (Continued)

.6 Disability-Based Unearned Income

.61 Disability-based unearned income is income received only from one or more of the following:

.611 State Disability Insurance benefits.

.612 Private Disability Insurance benefits.

(a) Private Disability Insurance benefits include all employer-sponsored disability insurance benefits for which there is an employee contribution.

.613 Temporary Workers' Compensation benefits.

.614 Social Security Disability Benefits.

.7 Unearned Income

Unearned Income is any income that is not earned income or disability-based unearned income.

.68 Voluntary Contributions (Continued)

.79 Death Benefits

Death benefits ~~other than those covered in Section 44-105.2~~ are considered income. Death benefits are those life insurance or burial payments made to a deceased's beneficiary. To determine net income, see Section 44-113.11. (Continued)

.810 Income In Kind (Continued)

.911 Interest Income (Continued)

~~44-207.41~~

.12 ~~Definition of~~ Lump Sum Income

~~44-207.411~~

Lump sum income is any income as ~~defined in Chapter 44-100~~ received by an AU which is not recurring regular income. Lump sum income is usually nonrecurring in regard to amount and/or source. Lump sum income includes but is not limited to the following: retroactive social insurance payments, real estate commissions such as from sales, income from freelance work, net proceeds from sale of a crop and bonuses.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, ~~and~~ 10554, 11450.5 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; Federal Action Transmittal ACF-AT-94-12; 45 CFR 233.20(a)(6)(iii); 45 CFR 233.20(a)(6)(v)(B); Sallis v. McMahon, Sacramento County Superior Court, case no. 364308, January 30, 1991 and 45 CFR 233.20(a)(3)(iv)(B) and (a)(4)(ii)(d).

Amend Section 44-102 to read:

All income shall be considered currently available during the month received, except: (Continued)

- c. CHILD SUPPORT - Child support collected by the county shall not be considered available to the recipient, other than as provided in Sections 43-203.12 and 43-203.154.
- d. ~~LUMP SUM REMAINDER - Any income remaining after computing the period of ineligibility due to the receipt of nonrecurring lump-sum income shall be considered income in the first month following the period of ineligibility. See Section 44-207.4.~~
- ed. MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - (Continued)

Authority Cited: Sections 10553, 10554, Welfare and Institutions Code.

Reference: Section 11157 (Ch. 270, Stats. 1997), Welfare and Institutions Code.

Amend Section 44-111 to read:

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION 44-111
AS INCOME

~~HANDBOOK BEGINS HERE~~

~~See Section 89-301.1 for elimination of the four- and eight-month time limitations for the 30 and 1/3 earned income disregards as specified in this section for those recipients subject to the Assistance Payments Demonstration Project specified in Division 89.~~

~~HANDBOOK ENDS HERE~~

.1 The Exclusions and Exemptions and the Applicable Programs are Discussed Below
(Continued)

.2 Exemption of Earned Income (Continued)

.21 Job Training Partnership Act (JTPA) - Earned Income of a Child

.211 All earnings of a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded from consideration as income for both eligibility and grant determinations ~~for up to six months per calendar year. This disregard also applies when determining the 185 percent income limit for eligibility (see Section 44-207).~~

~~.212 When the six-month disregard has expired and the child is a student, his/her earnings from JTPA shall be disregarded for financial eligibility and grant computation, but not for the 185 percent income limit pursuant to 44-111.22.~~

.22 Student Exemption (Continued)

.224 This exemption is applied:

a. ~~When determining the 185 percent income limit for up to six months per calendar year for non-JTPA-related earnings per Section 44-207.211(d). See Section 44-111.21 for JTPA exemption.~~

ba. (Continued)

cb. (Continued)

~~.23 30 and 1/3 \$225 and 50% Disregards~~

~~.231 Except as provided in .232 below, children who are in the FBU but are not qualified for the exemptions in .22 above and adults who are in the FBU shall have \$30 of their earned income plus 1/3 of the remainder disregarded subject to the method and limitations outlined in Section 44-113.2.~~

A family shall have \$225 of disability-based unearned or earned income and 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:

- (a) Greater than \$225, the difference is added to any other nonexempt income.
- (b) Less than \$225, the remainder of the disregard is subtracted from any earned income.
- (c) Zero, the \$225 is applied against any earned income.

~~.232 The \$30 and one-third disregard shall not be applied when:~~

- ~~(a) The 185 percent income limit is being determined as outlined in Section 44-207.2.~~
- ~~(b) The person who earned the income received the \$30 and 1/3 disregard in any FBU for four consecutive months without an intervening twelve-consecutive-month period when he/she was not an AFDC recipient; or~~
- ~~(c) The recipient failed without good cause to make a timely report of earned income as required by Section 40-181.22. The \$30 and 1/3 disregard is considered to have been applied for purposes of computing the four consecutive months in .232(b) above.~~
- ~~(d) The recipient voluntarily requests a discontinuance for the primary purpose of avoiding the four- (4) consecutive-month limitation on receipt of the \$30 and 1/3 disregard in (b) above. The \$30 and 1/3 disregard is considered to have been applied for purposes of computing the four consecutive months in .232(b) above.~~

- (e) ~~The recipient terminated employment, reduced earned income or refused employment without good cause within the budget period or the 30 days immediately prior to the budget period. Good cause shall be evaluated using the standards defined in Section 42-688.3. The \$30 and one-third disregard is considered to have been applied for purposes of computing the four consecutive months in .232(b) above.~~

~~.233 If aid is suspended (see Section 44-315.65) or discontinued because of a periodic extra paycheck from a recurring income source, the month of suspension or discontinuance shall not count as one of the four consecutive months but shall not interrupt the accumulation of the four consecutive months for purposes of Section .232(b) above.~~

~~.24 \$30 Disregard~~

~~.241 When the recipient has received the \$30 and 1/3 disregard in any assistance unit for four consecutive months as provided in .23 above, he/she shall be eligible for a \$30 disregard for a period of eight consecutive months immediately following the end of the four consecutive months. This applies to both financial eligibility and grant computations.~~

~~.242 If for any reason the recipient does not receive the \$30 disregard in a month (e.g., ineligible for aid, terminated employment, late reporting, etc.), that month shall nonetheless count as one of the eight consecutive months. See 44-113.218. If the recipient's aid is restored before the eight months have expired, he/she would be entitled to the \$30 disregard for the remaining months in this period.~~

~~Example: A recipient works and is eligible for and has received the \$30 and 1/3 disregard for four consecutive months. At the end of the fourth month the recipient lost the job. Two months later he/she goes back to work. The recipient is then eligible for the \$30 disregard for the six remaining months.~~

(1)	(2)	(3)	(4)	(5)	(6)
WORKS	WORKS	WORKS	WORKS	WORKS	NO JOB
\$30 & 1/3	\$30 & 1/3	30 % 1/3	\$30 & 1/3	None	None
(7)	(8)	(9)	(10)	(11)	(12)
WORKS	WORKS	WORKS	WORKS	WORKS	WORKS
\$30	\$30	\$30	\$30	\$30	\$30

~~.243 When the additional eight-consecutive-month period has expired, a recipient shall not be entitled to receive the \$30 disregard again until he/she has not received AFDC for twelve consecutive months.~~

~~.244 For purposes of implementing the \$30 disregard specified in Section 44-111.241 above effective October 1, 1984, the \$30 disregard shall not be allowed for a recipient~~

~~who received the \$30 and 1/3 disregard as specified in Section 44-111.23 for four consecutive months ending prior to October 1, 1984.~~

~~.254 College Work Study Program (Continued)~~

~~.265 Independent Living Program (ILP)~~

~~.2651 (Continued)~~

~~.44 Income from Small Nonrecurring Gifts That Is Received Infrequently~~

~~.441 The first \$30 of cash income from small nonrecurring gifts, such as those for Christmas, birthdays, and graduation, which is received by each member of the assistance unit during any calendar quarter shall be exempt from consideration as income. A calendar quarter is three consecutive calendar months commencing with the first day of the first month and ending with the last day of the third month. The first month for each of the four quarters shall be January, April, July, and October.~~

~~HANDBOOK BEGINS HERE~~

~~EXAMPLE: The recipient receives \$35 in cash for a birthday gift in a given quarter~~

~~DISCUSSION: The first \$30 of the gift is exempt.~~

~~EXAMPLE: The recipient receives \$20 in cash for a birthday gift and, in the same quarter, receives \$20 for a graduation gift.~~

~~DISCUSSION: The first \$20 gift is exempt, \$10 of the second gift is exempt, for a total exemption of \$30.~~

~~HANDBOOK ENDS HERE~~

~~.441 Income that is received in prospectively budgeted months and is received too infrequently to be reasonably anticipated, shall be exempt from consideration, as allowed in Food Stamp Regulations, Section 63-502.2(d).~~

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Food Stamp Regulations, Section 63-502.2(d) states, any prospectively budgeted income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 in a quarter, is excluded as income.

HANDBOOK ENDS HERE

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11008.15, 11280, 11157 (Ch. 270, Stats. 1997), 11450.12 (Ch. 270, Stats. 1997), 11451.5 (Ch. 270, Stats. 1997), and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); ~~Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1.~~

Amend Section 44-113 to read:

44-113 NET INCOME (Continued)

44-113

.2 Earnings

.21 Computation of Net Nonexempt Earned Income for ~~Aid to Families with Dependent Children~~ CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken: (Continued)

.212 Determine the total profit earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the business expenses against the gross income from self-employment. When the computation of total profit earned from self-employment disclosed shows that a loss has occurred, earned income from self-employment shall be zero. No additional offset shall be allowed against the family's other income.

- (a) ~~Personal expenses such as income tax payment, lunches, entertainment and transportation to and from work are not classified as business expenses and shall not be deducted from gross income in determining total profit earned from self-employment. Other expenses such as depreciation, purchase of capital equipment and payments on the principal of loans for capital assets or durable goods shall not be deducted. The applicant or recipient who is self-employed shall choose one of the following deductions:~~

- (1) 40 percent of gross self-employed income, or
- (2) verified actual self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

- (b) ~~Expenses which are directly related to the production of goods or services by a self-employed person, and without which the goods or services could not be produced, shall be allowed. The recipient must bear the full burden of proof for justifying the existence of and need for any expense allowed under this classification. (See Section 44-113.1 for limitation on principal and interest payments.) The county is required to verify the amount of the expenses, and that the expenses were actually incurred. As part of the verification process and in order for the expenses to be allowed, the recipient is required to provide the amounts and types of expenses and to provide evidence for each expense, such as a signed receipt, cancelled check, or statement from the person or firm from which an item(s) or service was purchased.~~

Recipients who are self-employed shall be allowed to change the method of deduction identified in Section 44-113.212(a) only at redetermination or every six months, whichever occurs first.

- (c) ~~If the computation of total profit earned from self-employment disclosed that a loss has occurred, earned income from self-employment shall be zero.~~
- ~~.213 For each recipient, combine any total earnings determined in .211 above with any total profit determined in .212.~~
- ~~.214 Apply the standard work expense disregard of \$90 for the month the income was earned to the amount in .213 for each recipient.~~
- ~~.215 For each recipient who is eligible to receive the \$30 and 1/3 disregard, subtract \$30 from the amount remaining after application of .214 then subtract 1/3 of the remainder. See Section 44-111.23.~~
- ~~.216 For each recipient who is eligible to receive the additional \$30 disregard subtract \$30 from the amount remaining after application of .214 and .215 above (see Section 44-111.24).~~
- ~~.217 For each employed recipient apply a disregard as determined below for the reasonable and necessary costs of obtaining child care for a child in the AU or care for an incapacitated individual in the AU when the county determines that adequate dependent care cannot be provided during his/her working hours by a person in the recipient's assistance unit.~~
- ~~(a) For each child or incapacitated individual the amount of the dependent care disregard is the least of:~~
- ~~(1) \$175 per child or incapacitated individual (\$200 per month per child under age 2) or~~
- ~~(2) The amount paid for such dependent care; or~~
- ~~(3) For child care the cost of securing such child care through a child care facility meeting the standards for licensing when the county determines that such a facility is currently available to the recipient and could be reasonably used by the recipient. It should be noted that child care expenses related to training are paid from administrative funds and not deducted from income.~~
- ~~(b) When applying the dependent care disregard, the county shall verify the amount of the expenditure and that the care was actually provided. As part of the verification process, the recipient shall write on the CA 7 the amount of the expenditure and provide a signed receipt. If the county determines that a signed receipt is not available, other acceptable evidence may be used. Such evidence may include but is not limited to: statements received by the county welfare departments by phone from the care provider, cancelled checks, statements from neighbors or other persons with a reasonable knowledge that services were provided (i.e., they take their child to the same facility), or an affidavit from the recipient, separate from the CA 7, which includes an explanation as to why a receipt from the provider was not available.~~

- (c) ~~The county shall inform employed recipients at the time they become eligible for the dependent care disregard that they may receive either the dependent care disregard or child care services in the California Department of Education (CDE) subsidized child care system. The county shall provide the information needed by the recipient to contact a Resource and Referral (R and R) Program for assistance in obtaining information regarding services offered by the CDE subsidized child care system.~~

HANDBOOK BEGINS HERE

- (1) ~~Resource and Referral Programs provide referrals to child care facilities as specified in Education Code Sections 8200 et seq. and are defined in Education Code Section 8208(y).~~
- (2) ~~Education Code Section 8208(y) states in part:~~
- (A) ~~"Resource and referral programs" mean programs that provide information to parents, including referrals and coordination of community resources for parents and public or private providers of care."~~

HANDBOOK ENDS HERE

- (3) ~~If CDE subsidized child care is not available or the recipient chooses not to receive CDE subsidized child care for each of his/her children, the county shall apply the dependent care disregard as specified in Section 44-113.217(a) above.~~
- (d) ~~The dependent care disregard shall not be allowed for any child care services provided to an employed recipient's children through a CDE subsidized child care program in which the child care qualifies for tracking under Title IV-A pursuant to Section 44-1102.~~

HANDBOOK BEGINS HERE

- (1) ~~Section 42-1102 requires the county and CDE contractor to determine whether AFDC recipients and their children who receive child care services from CDE subsidized child care programs meet Title IV-A eligibility criteria, in order to determine whether their child care qualifies for tracking under Title IV-A.~~

HANDBOOK ENDS HERE

- (e) ~~If a recipient and child are receiving services in the CDE subsidized child care system and their child care does not qualify for tracking under Title IV-A pursuant to Section 42-1102, the county shall apply the dependent care disregard as specified in Section 44-113.217(a) above for any parent fee assessed pursuant to Title V, Division 19, Section 18108.~~

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- (1) ~~Title V, Division 19, Section 18108 specifies that CDE contractors shall assess parent fees according to a fee schedule prepared and issued by the CDE Child Development Division. A parent fee is a family's share of cost computed on a sliding scale based on the family's income adjusted for family size.~~

~~HANDBOOK ENDS HERE~~

~~.218 The deductions in .214, .215, .216 and .217 shall not be allowed if the recipient: (1) failed to make a timely report of earned income that month as required by Sections 40-125.922 and 40-181.22; or (2) terminated employment, reduced earnings or refused employment without good cause within the budget period or the 30 days immediately prior to the budget period. (Good cause shall be evaluated using the standards defined in Section 41-442.113); or (3) voluntarily requests a discontinuance for the primary purpose of avoiding the four-consecutive-month limitations on receipt of the \$30 and 1/3 disregard.~~

~~HANDBOOK BEGINS HERE~~

~~Note: Section 44-113.218 provisions do not apply to refusals, quits, or terminations of state seasonal employment made available under the AB 1531 Demonstration Project". See Section 42-710.~~

~~HANDBOOK ENDS HERE~~

- ~~.219 Add together the amounts remaining after application of the above sections for each recipient. This total is net nonexempt earned income for the FBU.~~

~~HANDBOOK BEGINS HERE~~

- ~~.22 Example. An AU consists of a mother, one preschool child, one infant and two teenage sons, ages 15 and 16. The 15 and 16-year-olds are not in school.~~

~~The mother is employed for 20 days, works over 100 hours, and earns \$600. The 15-year-old son earns \$170 and the 16-year-old earns \$140. Child care expenses are \$175 for the preschool child and \$190 for the infant. The mother is no longer eligible for the \$30 and 1/3 disregard, but is still eligible for the \$30 disregard. Her teenage sons are eligible for the \$30 and 1/3 disregard. Net nonexempt earned income for the month is computed as follows:~~

~~Step (1) Compute remainders for each recipient.~~

- ~~(a) For the mother:~~

~~\$ 600 gross wages
— 90 standard work expense disregard
— 30 disregard
= 175 child care for the preschooler
= 190 child care for the infant
\$115 remainder for mother~~

- ~~(b) For the 15-year-old:~~

~~\$ 170 gross wages~~
~~= 90 standard work expense disregard~~
~~= 47 \$30 plus 1/3 deduction~~
~~\$ 33 remainder for 15-year-old~~

(c) For the 16-year-old:

~~\$ 140 gross wages~~
~~= 90 standard work expense disregard~~
~~= 37 \$30 plus 1/3 deduction~~
~~\$ 13 remainder for 16-year-old~~

Step (2) ~~Combine remainders for each recipient~~

- (a) ~~\$115 mother~~
- (b) ~~33 15-year-old~~
- (c) ~~13 15-year-old~~
- (d) ~~\$161 net nonexempt earned income of the household~~

HANDBOOK ENDS HERE

- .213 Combine the total earnings for the family determined in Section 44-113.211 with any net self-employment income determined in Section 44-113.212.
- .214 Apply, as specified in Section 44-111.23, the \$225 disregard to any disability-based unearned income for the family.
- .215 Apply any remainder of the \$225 disregard to any earned income for the family determined in Section 44-113.213.
- .216 Apply the 50% disregard to any remaining earned income for the family.
- .217 Add to the amount in Section 44-113.216 any excess nonexempt disability-based unearned income and/or any nonexempt unearned income. This total is the net nonexempt income available to the family.

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.22 Net Nonexempt Income Computation

Example 1

A nonexempt AU of 3 (a recipient and two children) has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775 Earned Income
- 225 \$225 Income Disregard
\$ 550 Subtotal
- 275 50% Earned Income Disregard
\$ 275 Total Net Nonexempt Income

HANDBOOK ENDS HERE

.3 (Continued)

.8 Refunds of Retirement Contributions

.81 Lump-sum refunds of the employer's share of retirement contributions shall be considered net ~~nonexempt~~ unearned income in the month received. ~~Such refunds are not to be considered earned income for the month in which they are received and the earned income exemption of Section 44-111.23 or .24 shall not be applied.~~
(Continued)

~~.9 Deduction of Court-Ordered Support Payments in Determining Net Income~~

~~Deduction shall be allowed for actual payments made in support of a child or spouse not in the home, paid pursuant to a court order. In no instance shall the deduction allowed exceed the amount of the payment required by the court order.~~

~~.10 Income From Public Service Employment (PSE)~~

~~.101 Net income from WIN/PSE is the amount remaining after the deduction of work-related expenses and dependent care found under Section 44-113.2. The Earned Income Exemptions found under Section 44-111.23 do not apply to WIN/PSE income.~~

~~.102 Income from PSE under a program other than WIN is treated as regular employment earnings (see Section 44-113.21) and the earned income exemption is allowed.~~

~~.11~~2 (Continued)

~~.12~~10 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

~~That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property is income and shall be considered in the lump-sum income computation. (See Section 44-207.4.) (Continued)~~

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063 (Ch. 270, Stats. 1997), 10553, 10554, 10790, 10791, and 11008.19, 11155.3 (Ch. 270, Stats. 1997), 11157 (Ch. 270, Stats. 1997), 11450.12 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 233.20(a)(11); 45 CFR 233.20(a)(11)(D); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p);

Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

Amend Section 44-133 to read:

44-133 TREATMENT OF INCOME -- ~~AFDC~~ CalWORKs

44-133

- .1 All net income of persons included in the ~~Family Budget Assistance~~ Unit is income to the ~~Family Budget Assistance~~ Unit.
- .2 Income in Cases in Which the ~~Family Budget Assistance~~ Unit Resides in the Same Household as an SSI/SSP or ~~APSB~~ Recipient
 - .21 The aid payment and income of an SSI/SSP or ~~APSB~~ recipient shall not be included in the ~~Family Budget Assistance~~ Unit's income and grant computation.
 - .22 Lump sum retroactive SSI/SSP or ~~APSB~~ payments received by a recipient are not countable income to the ~~Family Budget Assistance~~ Unit (see Section 42-213.2(t)).
 - .23 Payments for goods or services by an SSI/SSP or ~~APSB~~ recipient to an ~~AFDC~~ CalWORKs cash aid recipient are income to the ~~Family Budget Assistance~~ Unit.
 - .24 Income derived from an interest in the community or joint property of an SSI/SSP or ~~APSB~~ recipient and an ~~AFDC~~ a CalWORKs cash aid recipient is prorated between owners and the ~~AFDC~~ cash aid recipient's share is countable income to the ~~Family Budget Assistance~~ Unit.
 - .25 Actual voluntary contributions made by an SSI/SSP or ~~APSB~~ recipient to an ~~AFDC~~ a cash aid recipient are income to the ~~Family Budget Assistance~~ Unit. This does not include pooled income to meet shared living expenses, or payments for living expenses made in lieu of other payments in a shared living arrangement. However, no contribution will be required of the SSI/SSP or ~~APSB~~ recipient.
 - .26 If an ~~AFDC~~ a CalWORKs cash aid applicant is determined to be eligible for ~~AFDC~~ cash aid and is included in the ~~FBU assistance unit~~ , income of the AFDC cash aid applicant (including income considered available from a stepparent under provisions of ~~EAS~~ Section 44-133.6511 or a senior parent under provisions of ~~EAS~~ Section 44-133.7 89-201.5) that may have been used in computing an SSI/SSP or ~~APSB~~ grant for another person will be included in the ~~AFDC CalWORKs~~ grant computation. The county shall notify the Social Security Administration or the appropriate ~~APSB worker~~ as to the effective date that the income is used in the ~~AFDC CalWORKs~~ grant computation so that such income may be deleted from the SSI/SSP or ~~APSB~~ grant computation.

- .27 The county shall notify the Social Security Administration of the effective date that ~~an AFDC~~ a CalWORKs cash aid recipient and any of his/her income is deleted from the ~~Family Budget Assistance~~ Unit because of receipt of SSI/SSP, if the recipient has income which was used in the ~~AFDC~~ CalWORKs grant computation. This is necessary so that the Social Security Administration may begin to consider the income. No retroactive adjustment of the ~~AFDC~~ CalWORKs grant shall be made because of receipt of SSI/SSP ~~or APSB~~ if the grant was correctly computed during the period the SSI/SSP ~~or APSB~~ application was pending.

.43 Income of Children in Foster Care (Continued)

.34 Income in Cases in Which a Parent or Child Has Been ~~Excluded from the Assistance Unit Sanctioned or Penalized~~

- .341 ~~Income shall not be allocated to meet the needs of any parent or child who is required to be included in the filing unit and has been sanctioned or who has failed to cooperate in meeting a condition of eligibility of persons living in the home, required to be in the AU who have been sanctioned or penalized is available to the AU. The needs of these individuals are not considered except for persons in an AU that are being penalized for failure to cooperate with child support. Actions which are subject to sanction or which constitute a failure to cooperate include, but are not limited to, any one of the following:~~

- .3411 ~~Failing to register for JS, GAIN, or refusing, without cause, to participate in the programs~~ comply with welfare-to-work requirements;

HANDBOOK BEGINS HERE

~~(see Sections 41-440.2, 42-625, and 42-786, respectively)~~
(See Section 42-721 for Welfare-to-Work Requirements)

HANDBOOK ENDS HERE

.3412 (Continued)

.3413 (Continued)

HANDBOOK BEGINS HERE

~~(See Section 43-106.1~~ 82-510)

HANDBOOK ENDS HERE

- .314 ~~Refusing to cooperate in the identification and location of the absent parent, establishment of paternity, and enforcement of child support obligation, without a showing of good cause;~~

HANDBOOK BEGINS HERE

~~(see Section 43-107.47)~~

~~HANDBOOK ENDS HERE~~

~~.34154~~ Refusing to take actions necessary to obtain unconditionally available income.

~~HANDBOOK BEGINS HERE~~

~~(see Section 44-103.212 82-610)~~

~~HANDBOOK ENDS HERE~~

~~.32~~ Income of the parent or child who is excluded from the assistance unit pursuant to the provisions of Section 44-133.31 shall be allocated to the assistance unit by allowing the standard work expense and dependent care disregards, when applicable, but without consideration of his/her own needs.

~~.321~~ The earned income disregards allowed in Section 44-133.32 above shall be denied when the sanctioned individual:

- ~~(a)~~ fails to make a timely report of earnings as required, or
- ~~(b)~~ without good cause, terminates employment, reduces earnings or refuses employment within the budget period or the 30 days immediately prior to the budget period.

~~HANDBOOK BEGINS HERE~~

~~(See Section 44-113.2 for earned income disregards.)~~

~~HANDBOOK ENDS HERE~~

~~.415~~ Refusing or failing to attend school regularly or cooperate in verifying school attendance.

HANDBOOK BEGINS HERE

(See Section 42-101.5)

HANDBOOK ENDS HERE

~~.416~~ Refusing or failing to submit verification of immunization for AU children under age 6.

HANDBOOK BEGINS HERE

(See Section 40-105(j))

HANDBOOK ENDS HERE

~~44-133.31(f)~~ ~~.417~~ Committing an Intentional Program Violation (IPV)

HANDBOOK BEGINS HERE

(See Section 20-351)

HANDBOOK ENDS HERE

.5 Income in Cases in Which a Person is Excluded

~~.331~~ If Both the income and the needs of a parent or child are considered when that parent is living in the home is required to be in the AU under Section 82-820.2, but is excluded from the AU. This section does not apply to parents excluded for the following for reasons: other than the provisions of Section 44-133.31, being a) a sanction; b) being a recipient of another aid program, being an Ineligible Alien Parent or an ineligible alien child; or c) being a member of a different AU, when appropriate, a portion of his/her income is income to the AU. This portion is determined as follows: Parents whose needs and income are considered include, but are not limited to:

~~.331~~ Determine the parent or child's net nonexempt income according to Chapter 44-100. Allow disregards in Section 44-113 except the \$30 and 1/3 or, as applicable, the \$30 disregard.

~~.332~~ Determine MBSAC plus any verified recurring special needs for the AU and the excluded persons:

(a) From that amount, subtract the MBSAC plus any verified recurring special needs for the AU.

(b) The maximum amount allowed for recurring special needs for the excluded parent or child shall not exceed \$10.

(c) This subsection does not apply when an excluded parent or child is included in a stepparent unit (see Section 44-133.6) or in a senior parent unit (see Section 44-133.7).

~~.333~~ Subtract the figure determined in .332 from income determined in .331 above. The remaining amount is income to the assistance unit.

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~~.334~~ Example: A parent with earned income is excluded from the assistance unit which consists of three children. Monthly gross earned income is \$350. Assume MAP for 3 is \$663, MBSAC for 3 is \$694, MAP for 4 is \$788 and MBSAC for 4 is \$824.*

\$350	Gross Income
=90	Standard Work Expense Disregard
\$260	Net Income

\$824*	MBSAC for 4
+9	Verified Special Need (for excluded person)
\$833	MBSAC + Special Needs for 4

\$833 *	MBSAC for 4 + special needs
-694 *	MBSAC for 3
\$139	MBSAC Differential
\$260	Net Income
-139	MBSAC + Special Needs Differential
\$121	Income to the Assistance Unit
\$694*	MBSAC for 3
-121	Income to the Assistance Unit
\$573	Potential Grant Amount
\$663*	MAP for 3
<\$573	Less than or Equal to MAP
\$573	GRANT AMOUNT

~~*The MBSAC and MAP amounts are subject to change. See Handbook Section 44-315.311 for currently applicable amounts.~~

HANDBOOK ENDS HERE

- .511 A stepparent who is the spouse of the applicant and/or recipient child's parent when the child's parent is residing in the home and the stepparent is not the parent of any natural or adoptive children who are required to be included in the AU.
- .512 Natural or adoptive parents who are excluded by law.
- .513 Senior parents excluded from the minor parents' AU.
- .514 Fathers of unborn children in Pregnant Women Only cases.
- .515 Spouses of aided children in their parents' AU when the spouse does not have a child in the AU.
- .52 The needs of the following persons shall be considered in the family MAP (recipient cases) or MBSAC (applicant cases). The family MAP/MBSAC shall include:
 - .521 The needs of AU members other than those specified at Section 44-133.4, and
 - .522 The needs of the persons excluded from the AU, specified at Section 44-133.51, whose income is being considered, and
 - .523 The needs of any children of the person above whose income is being considered, or other dependents living in the home who could be claimed by the person for tax purposes, and
 - .524 The needs of any spouse of the person above whose income is being considered.

.53 The income of children not required to be in the AU is excluded.

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.54 Determine financial eligibility for the family in accordance with Sections 44-207.1 and .2 and the aid payment computation in accordance with Section 44-315.

Example 1:

Applicant applies on behalf of herself and her two dependent children. Also living in the home is a stepparent and his separate child. Stepparent earns \$800 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU resides in Region 1 and is eligible for Exempt MAP.

Applicant Eligibility Determination:

\$ 800	<u>Earned Income</u>
- 90	<u>\$90 Earned Income Disregard</u>
\$ 710	<u>Net Nonexempt Earned Income</u>
\$+300	<u>Disability-Based Income (Not subject to \$225 Disregard at application)</u>

\$ 1010	<u>Total Net Nonexempt Income</u>
\$ 945	<u>MBSAC for Five (Includes AU and Non-AU Family Members)</u>

Family is ineligible for CalWORKs (Net Nonexempt Income exceeds the MBSAC for Five).

Example 2:

Recipient receives cash assistance for herself and one child. The mother works full-time for \$1025 per month. The family is nonexempt and lives in Region 2.

Recipient Eligibility Determination:

\$ 1025	<u>Earned Income</u>
- 225	<u>\$225 Income Disregard</u>
\$ 800	<u>Net Nonexempt Income</u>
\$ - 400	<u>50% Earned Income Disregard</u>
\$ 400	<u>Total Net Nonexempt Income</u>
\$ 434	<u>MAP for Two</u>
- 400	<u>Total Net Nonexempt Income</u>
\$ 34	<u>(\$34 is less than \$434, MAP for 2)</u>
	<u>AU is financially eligible</u>

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.56 Income in Cases Where an Ineligible Alien Family Member(s) Resides in the Home

.561 Ineligible Alien Family Members in the Home (Continued)

.5611 Child(ren) (Continued)

(a) All siblings, half-siblings or step-siblings of the child(ren) listed in Section 44-133.5611.

.5612 Parents (Continued)

.5613 Spouse (Continued)

.562 Treatment of the Needs The county shall include the ineligible alien family

of Ineligible Alien
Family Members

members in the family size when determining the
MBSAC for applicants and the Family MAP amount
for the AU.

.5621 Common Person

(Continued)

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(a)

A mother with one child (AU #1) has an ineligible alien child in common with the unmarried father who has one child (AU #2). The ineligible alien child in common has no deprivation and shares the same familial relationship with both AUs. In this situation, the caretaker relative shall decide in which AU the ineligible alien common child's needs shall be considered pursuant to Section 44-133.562.

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.563 Treatment of Income of
Ineligible Alien Family
Members

~~The county shall determine the net nonexempt income of ineligible alien family members in the following manner shall be considered.~~

.531+ Determine
Net Income

~~Determine the net nonexempt income of each ineligible alien family member according to the provisions in Chapter 44-100.~~

(a)

~~When determining net nonexempt earned income, each employed family member shall be entitled to the work expense disregard.~~

(b)

~~The dependent care disregard and the \$30 and one-third disregard and the \$30 disregard shall not be allowed.~~

(c)

~~Deduct any amount actually paid by each family member to persons not living in the home but who are, or could be, claimed by the family member as dependents for purposes of determining federal income tax liability.~~

(d)

~~Deduct any court-ordered child and spousal support paid by the family member to persons not living in the home.~~

.532 Remainder

~~The remainder is not nonexempt income to the AU for eligibility and grant amount determination. The needs of the ineligible alien family members shall be included pursuant to Section 44-133.52.~~

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.54 Example

Region 1 nonexempt AU consists of mother and one child. Aided mother has \$600 gross income. Also living in the home is: 1) an ineligible alien child of the aided mother who receives \$150 per month from the absent father; 2) the ineligible alien spouse of the aided parent; 3) an ineligible alien child in common with the aided parent who has no deprivation and 4) an ineligible alien separate child of the spouse. The spouse has \$390 earned income. No child care is paid by the family.

There are 6 people in the family. The family's total gross income is \$1140.

~~\$600~~ Aided Mother's Income
~~+ \$150~~ Ineligible Alien Child's Income
~~+ \$390~~ Spouse's Income
~~= \$1140~~ Family's Total Income

First Step: Compare gross income of \$1140 to \$2121 (185% of MBSAC for 6). Family passes gross test.

Second Step: Complete the net test.

~~\$600~~ (Aided mother's gross income)
~~= \$120~~ (SWE and \$30 disregards)
~~= \$480~~
~~= \$160~~ (1/3 disregard)
~~= \$320~~ Aided mother's net nonexempt income

~~\$390~~ (Spouse's earned income)
~~= \$100~~ (Support paid to other not living at home)
~~= \$90~~ (Standard Work Expense Disregard)
~~= \$200~~ Spouse's net income

~~\$150~~ Child's income has no deductions

~~\$320 + \$200 + \$150 = \$670~~ Family's net income to be compared to \$1147 (MBSAC for 6). Family passes net income test.

Third Step: Grant computation:

~~\$1147~~ (MBSAC for 6)
~~= \$670~~ (Family's net nonexempt income)
~~= \$477~~ Potential Grant

~~\$456~~ (MAP for 2)

~~\$477 > \$456 = Grant for AU is \$456~~

.64 Example

Recipient mother receives aid for herself and one child. The mother has \$600 gross earnings. Also living in the home is: 1) an ineligible alien child of the aided mother who receives \$150 per month directly from the absent father; 2) the ineligible alien spouse of the aided parent; 3) a citizen child in common with the aided parent who has no deprivation; and 4) a separate ineligible alien child of the spouse. The spouse has \$975 earned income. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

<u>Step 1</u>	<u>\$ 975</u>	<u>Family's Gross Earned Income</u>
	<u>- 225</u>	<u>\$225 Income Disregard</u>
	<u>\$ 750</u>	<u>Subtotal</u>
	<u>- 375</u>	<u>50% Earned Income Disregard</u>
	<u>\$ 375</u>	<u>Net Earned Income</u>
	<u>+150</u>	<u>Other Nonexempt Income</u>
	<u>\$ 525</u>	<u>Total Family Net Nonexempt Income</u>
 <u>Step 2</u>	 <u>\$ 861</u>	 <u>"Family" MAP (for six)</u>
	 <u>- 525</u>	 <u>Total Family Net Nonexempt Income</u>
	 <u>\$ 336</u>	 <u>Potential Grant</u>
 <u>Step 3</u>	 <u>\$ 456</u>	 <u>AU MAP (for two)</u>
	 <u>\$ 336</u>	 <u>Potential Grant</u>
	 <u>\$ 336</u>	 <u>Aid Payment (Lesser of AU MAP or Potential Grant)</u>

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.6 Income in Cases Where a Stepparent or IRCA Parent Resides in the Home

Regulations concerning income to the assistance unit from a stepparent (see Section 44-133.63) apply only when the stepparent resides in the same household with the aided children or unaided unborn (see Sections 82-836 and 88-410) and their parent, but neither the stepparent nor any of his/her natural or adoptive children, are in the assistance unit.

Note: When the stepparent is included in the assistance unit (see Section 82-828), the total amount of his/her net nonexempt income shall be income to the assistance unit for purposes of grant and eligibility computation:

When the stepparent is not included in the assistance unit but one or more of his/her children is in the assistance unit, and the stepparent is also either an excluded parent or an ineligible alien parent, see EAS Section 44-133.3 or Section 44-133.5 for treatment of his/her income.

~~An IRCA Alien who is the natural or adoptive parent of an aided child shall have his or her income deemed to the AU using these stepparent deeming provisions:~~

~~.61 Composition of Stepparent/IRCA Parent Unit~~

~~.611 The Stepparent/IRCA Parent Unit may include, in addition to the stepparent or IRCA Parent, any of the following individuals:~~

- ~~(a) His or her spouse;~~
- ~~(b) His or her separate children; or~~
- ~~(c) The child(ren) he or she has in common with the aided parent.~~
- ~~(d) Any other persons residing in the home who may be claimed by the stepparent/IRCA Parent as dependents for federal income tax purposes.~~

~~.612 No individual may be included in the Stepparent/IRCA Parent Unit who:~~

- ~~(a) Is included in an AU, or~~
- ~~(b) Has been excluded from the AU pursuant to the provisions of Section 44-133.31.~~

~~.62 Needs of Stepparent/IRCA Parent Unit~~

~~When the stepparent/IRCA Parent is excluded from the AU, the county shall determine his/her ability to support the Stepparent or IRCA Parent Unit on the basis of the AFDC Minimum Basic Standard of Adequate Care (MBSAC) (Section 44-207.112) plus any special needs, if applicable. See Section 44-211. Allow disregards from the stepparent's or IRCA Parent's gross income in accordance with Sections 44-133.631(a) through (c).~~

~~.63 Computation of Income to the Assistance Unit (AU)~~

~~.631 The stepparent's or IRCA Parent's income deemed available to the AU is determined as follows:~~

- ~~(a) Determine the stepparent's or IRCA Parent's net nonexempt income according to the provisions in Chapter 44-100.~~
- ~~(1) When determining net earned income, the stepparent or IRCA Parent shall be entitled to the work expense disregard.~~

HANDBOOK BEGINS HERE

See Section 44-113.214.

HANDBOOK ENDS HERE

- (2) ~~The dependent care expense disregard and the \$30 and 1/3 disregard, and as applicable in control cases of the California Assistance Payments Demonstration Project, the \$30 disregard shall not be allowed.~~

HANDBOOK BEGINS HERE

~~See Sections 44-113.215, .216 and .217.~~

HANDBOOK ENDS HERE

- (b) ~~Deduct any amounts actually paid by the stepparent/IRCA Parent to persons not living in the same home but who are, or could be, claimed by him/her as dependents for purposes of determining his/her federal personal income tax liability.~~
- (c) ~~Deduct any child support and alimony payments made by the stepparent/IRCA Parent to persons not living in the home.~~
- (d) ~~Deduct the MBSAC amount for members of the Stepparent/IRCA Parent Unit plus any special needs, if applicable. See Section 44-211.~~

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.632 Example: Stepparent/IRCA Parent Income to the AU

Computation Factors

- = ~~Stepparent/IRCA Parent Unit consists of 1 person (stepparent).~~
- = ~~AFDC-AU consists of 5 persons (the mother and mother's 4 children)~~
- = ~~Stepparent/IRCA Parent earns \$800 within the month from full-time employment.~~
- = ~~Stepparent/IRCA Parent pays \$100 per month child support to his/her daughter who resides with the stepparent's ex-spouse.~~
- = ~~No other payments are made by the stepparent/IRCA Parent to persons living outside the home.~~

Computation

\$800	gross income
<u>= 90</u>	less standard work expense disregard
\$710	
<u>= 100</u>	less child support paid
\$610	net income
\$610	net income
<u>= 355*</u>	less MBSAC for stepparent unit (1 person)

\$255 stepparent income to the AU

\$979* MBSAC for AFDC-AU (5 persons)

~~-255~~ less stepparent income to the AU

\$724 Potential Grant

\$824* MAP for 5

<\$724 Potential Grant is Less than or Equal to MAP

\$724 GRANT AMOUNT (The grant amount is the same as the potential grant rather than the MAP amount because the potential grant is less than the MAP)

~~*The MBSAC and MAP amounts are subject to change. See Handbook Section 44-315.311 for currently applicable amounts.~~

HANDBOOK ENDS HERE

~~.7 Income in Cases Where the Senior Parents Reside in the Home with a Minor Parent~~

HANDBOOK BEGINS HERE

~~For Senior Parent Deeming requirements applicable to pregnant minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.5.~~

HANDBOOK ENDS HERE

~~.71 Definitions~~

~~For purposes of this section the following definitions shall apply:~~

~~.711 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.~~

~~.712 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.~~

~~.713 A Senior Parent Unit consists of the senior parent, his/her spouse, his/her children and any other persons residing in the home who may be claimed by the senior parent as dependents for federal income tax purposes when they are not in the assistance unit. However, the Senior Parent Unit shall not include any individual who has been excluded from the assistance unit pursuant to the provisions of Section 44-133.31. When the minor parent is excluded from the assistance unit for reasons other than being an SSI/SSP recipient, or pursuant to the provisions of Section 44-133.31, the minor parent shall be a member of the Senior Parent Unit provided the minor parent's needs are not already being considered in another AFDC eligibility determination.~~

~~.72 When a minor parent is an SSI/SSP recipient, the income of the senior parent residing in the home shall be subject to the senior parent computation in Section .75 below. The aid payment and income of the SSI/SSP recipient shall be treated in accordance with Section 44-133.2.~~

~~.73 Regulations concerning income to the assistance unit from a senior parent of a minor parent apply only when the senior parent resides in the home with a minor parent and the minor's child, and the senior parent is not receiving AFDC.~~

~~.74 When the senior parent is included in the assistance unit with the minor parent and the minor parent's child, the total amount of the senior parent's net nonexempt income shall be income to the assistance unit for the purposes of eligibility determination and grant computation.~~

~~.75 Computation of Income to the Assistance Unit.~~

~~The income of the senior parents to be allocated to the assistance unit shall be determined as follows:~~

~~.751 When a senior parent receives lump-sum income (Section 44-207.41), the lump-sum income shall be treated as income in the month received and is not subject to the lump-sum period of ineligibility computation (Section 44-207.42).~~

~~.752 Determine the net nonexempt income of each senior parent according to the provisions in Chapter 44-100.~~

~~(a) When determining net earned income, each employed senior parent shall be entitled to the work expense disregard.~~

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See Section 44-113.214.

HANDBOOK ENDS HERE

~~(b) The dependent care expense disregard, the \$30 and one-third disregard and the \$30 disregard shall not be allowed.~~

HANDBOOK BEGINS HERE

See Sections 44-113.215, 44-113.216 and 44-113.217.

HANDBOOK ENDS HERE

~~(c) Deduct the amounts actually paid by each senior parent to persons not living in the home but who are, or could be claimed by the senior parents as dependents for purposes of determining federal income tax liability.~~

~~(d) Deduct any child and spousal support paid by the senior parent to persons not living in the home.~~

- ~~.753 Deduct the MBSAC amount for members of the Senior Parent Unit plus any special needs, if applicable. The remainder is net nonexempt income to the assistance unit.~~

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- ~~.754 Example: Senior Parents' Income to the Assistance Unit~~

Computation Factors

- ~~= Senior Parent Unit consists of two senior parents and one child (the parents and a sibling of the minor).~~
- ~~= AFDC assistance unit (AU) consists of a minor parent and an aided child.~~
- ~~= One senior parent earns \$690 within the month from full-time employment.~~
- ~~= One senior parent earns \$200 within the month from part-time employment.~~
- ~~= No payments are made by the senior parents to persons living outside the home.~~

Computation

\$690	Gross income of senior parent employed full time
<u>= 90</u>	Less work expense disregard
\$600	

\$200	Gross income of senior parent employed part time
<u>= 90</u>	Less work expense disregard
\$110	

\$710	Net income of both senior parents
<u>= 694*</u>	Less MBSAC for Senior Parent Unit (3 persons)
\$16	Senior parent's income to AU

\$560*	MBSAC for AU of 2 (minor parent and aided child)
<u>= 16</u>	Less senior parent's income to AU
\$544	Potential Grant

\$535*	MAP for AU of 2
<\$544	Potential Grant is More Than MAP for 2

\$535 GRANT AMOUNT (MAP for 2)

~~* The MBSAC and MAP amounts are subject to change. See Handbook Section 44-315.311 for currently applicable amounts.~~

HANDBOOK ENDS HERE

- .76 ~~When the income of a senior parent has been used to compute the SSI/SSP grant of another person, the county shall notify the Social Security Administration that the income of the senior parent is now being considered in computing an AFDC grant (see Sections 44-133.26 and .27).~~

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- .77 ~~The Department of Social Services and the counties have been prohibited by court order in Grimesy v. McMahon from deeming the senior parents' income to 18-year-old minor parents living in the home who do not meet school enrollment requirements. (See ACL 86-71 and Errata dated June 19, 1986.)~~
- .78 ~~The Department of Social Services and the county welfare departments have been prohibited by court order in Hager v. McMahon (see ACL 87-129) and amendment to state law at Welfare and Institutions Code Section 11008.14 (Chapter 1263, Statutes of 1987) from counting an unrelated legal guardian's income towards:~~
- .781 ~~The AFDC-Foster Care grant of the minor parent; or~~
- .782 ~~The AFDC-FG grant of the dependent child of the Foster Care minor parent.~~

HANDBOOK ENDS HERE

- .87 ~~Income of a Nonneedy Caretaker Relative Other Than the Parent~~
- .871 ~~The amount by which a nonneedy relative, other than a parent with whom the child lives, is able and willing to meet the child's needs is income to the Family Budget Assistance Unit.~~
- .9 ~~Income in Cases Where the Spouse of an Aided Married Child Resides in the Home and is Excluded From the AU~~
- ~~If the spouse of an aided married child resides in the same home as the married child and is excluded from the FBU, a portion of the spouse's income is income to the Family Budget Unit (FBU). This portion is determined as follows:~~
- .91 ~~Determine the spouse's net nonexempt income according to Chapter 44-100. Allow earned income disregards in Section 44-113, except the \$30 and 1/3 or, as applicable, the \$30 disregard.~~
- .92 ~~Determine MBSAC plus any verified recurring special needs for the AU including the spouse.~~
- .921 ~~From the amount subtract the MBSAC plus any verified recurring special needs for the AU excluding the spouse.~~
- .922 ~~The maximum amount allowed for any recurring special needs for the spouse shall not exceed \$10.~~

- ~~.93~~ Subtract the figure determined in Section 44-133.92 from the income determined in Section 44-133.91. The remaining amount is income to the AU.

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- ~~.931~~ Example: A spouse of an aided married child resides with the AU which consists of three people.

The spouse's monthly gross earned income is \$350. Assume the MAP for 3 is \$663, the MBSAC for 3 is \$694, the MAP for 4 is \$753, and the MBSAC for 4 is \$824.

\$350	Gross Income
<u>-90</u>	Standard Work Expense Disregard
\$260	Net Income
\$824*	MBSAC for 4
<u>+9</u>	Special Need for Excluded Person
\$833	MBSAC for 4 + Special Need
\$833*	MBSAC for 4 + Special Need
<u>-694*</u>	MBSAC for 3
\$139	Difference in MBSACs
\$260	Net Income
<u>-139</u>	Difference in MBSACs + Special Needs
\$121	Income to AU
\$694*	MBSAC for 3
<u>-121</u>	Income to AU
\$573	Potential Grant
\$663*	MAP for 3
<\$573	Potential Grant is Less than MAP for 3
\$573	GRANT AMOUNT

*The MAP and MBSAC amounts are subject to change. See Handbook Section 44-315.311 for the current MAP and MBSAC values for the appropriate size AU.

HANDBOOK ENDS HERE

- ~~.108~~ Income in Cases Where an Alien Has Been Sponsored for Entry into the United States

- ~~.1081~~ When an alien is sponsored by an individual as defined in Section 43-119.2 the income of his/her sponsor who is not receiving ~~AFDC~~ cash aid, SSI or other public cash assistance payments (such as General Assistance) and the income of the sponsor's spouse who lives with the sponsor and who is not receiving such public cash assistance payments shall be deemed to be the sponsored alien's income. This income is determined as follows: (Continued)

- (f) If the sponsor is the sponsor of more than one alien, divide the remainder after Step (e) by the total number of sponsored aliens who are applying for or receiving ~~AFDC~~ cash aid. This amount shall be deemed to be the income of each applicant or recipient who is a sponsored alien. (Continued)

~~1082~~ When an alien is sponsored by an agency or organization as defined in Section 43-119.3 and the sponsoring agency or organization is unable to meet all of the needs of the alien (Section 43-119.3), income from the sponsoring agency or organization shall be treated as net nonexempt income to the sponsored alien.

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10063 (Ch. 270, Stats. 1997), 10553, 10554, 10604, 11008 (Ch. 270, Stats. 1997), 11254, 11450, 11452, 11453, and 11486, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993 and 42 USC 602(a)(39).

Amend Section 44-206 to read:

44-206 PERSONS WHO MUST BE EXCLUDED FROM THE
ASSISTANCE UNIT (AU) (Continued)

44-206

.2 The entire family is ineligible for aid payments when: (Continued)

~~.22 The family is in a period of ineligibility resulting from the receipt of lump-sum income
(See Section 44-207.4.)~~

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code

Reference: 42 USC 602(a)(19)(G)(i)(I) and (II); Section 202(a), Public Law 100-485; 45
CFR 244.0(c) and 250.34(c)(1) and (2); and Sections 10553, 10554, 10604,
11157 (Ch. 270, Stats. 1997), and 11327.5(c)(1), Welfare and Institutions
Code.

Amend Section 44-207 to read:

44-207 INCOME ELIGIBILITY

44-207

~~This chapter shall be applied to new cases as well as continuing cases each month.~~

.1 ~~General~~ The following financial eligibility test shall be applied to applicant cases.

.11 An applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC).

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Example: Applicant applies for assistance for herself and her one dependent child. The mother (applicant) works part-time for \$600 per month. The family is nonexempt and lives in Region 2.

Applicant Eligibility Determination

<u>\$ 600</u>	<u>Earned Income</u>
<u>- 90</u>	<u>\$90 Earned Income Disregard</u>
<u>\$ 510</u>	<u>Total Net Nonexempt Income</u>
<u>\$ 578</u>	<u>MBSAC for two</u>
	<u>Family passes the MBSAC test</u>
	<u>(MBSAC is greater than Net Nonexempt Income)</u>

See Section 44-207.2 for second step in the financial eligibility test for applicants.

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.111 The MBSAC is the amount of money which is necessary to provide an ~~FBU~~ AU with the following: (Continued)

~~.112 The amount of the MBSAC shall be that specified in Welfare and Institutions Code Sections 11452 and 11453 or as otherwise provided by law.~~

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.112 The MBSAC for the family applies in determining financial eligibility for applicants, the value of in-kind income for the AU, the amount of income from a sponsor available to a sponsored alien, the period of ineligibility for non-qualifying withdrawals from restricted accounts and transfer of assets. The MBSAC amounts are set forth in Welfare and Institutions Code Section 11452.

(a) (Continued)

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~~.113 The amount of 185% of the MBSAC shall be computed by multiplying the appropriate MBSAC amount by a factor of 1.85 and if the product does not end in a whole dollar amount, the amount shall be rounded to the next lowest dollar.~~

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(a) ~~See Section 44-315.311 for current 185% of MBSAC amounts.~~

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~~.12 Determination of Income Source To determine income eligibility it is necessary to categorize the income according to its frequency and source.~~

~~.121 If the income is received from a recurring income source, apply the 185 percent income limit (See .2 below). If income does not exceed the 185 percent limit, determine financial eligibility (See .3 below).~~

~~.122 If the source and/or amount of the income is nonrecurring, apply the lump-sum computation (See .4 below).~~

~~.132 When estimating income for eligibility, all relevant information available to the county and the recipient shall be taken into consideration. See Section 44-113.21 for computations.~~

~~.2 185 Percent Income Limit for Eligibility~~

~~.21 Description of 185 Percent Income Limit~~

~~The AU is ineligible any month in which the total reported or anticipated gross income and any deemed income of the AU and of any ineligible alien family members, plus all countable income pursuant to Section 44-133 for that month exceeds 185 percent of the combined Minimum Basic Standard of Adequate Care (MBSAC) and the value of any special needs.~~

~~.211 After application of the appropriate exemptions and exclusions not otherwise precluded by this section, income considered in the 185 percent income limit is the total of gross income as defined in Chapter 44-100. For purposes of the 185 percent income limit, the following exceptions shall apply:~~

- (a) ~~The standard work expense, dependent care expense and the \$30 and 1/3 and, as applicable, the \$30 disregards shall not be applied to earned income. See Section 44-113.2.~~
- (b) ~~The child/spousal support collected by the county shall be included in gross income, except as specified in Section 44-111.47 and Section 44-314.6.~~
- (c) ~~The earnings of children who are full-time students and/or earnings of children derived from participation in the JTPA programs shall be disregarded for up to six months per calendar year (see Sections 44-111.21 and .22). Up to 12 months of disregards are available per calendar year but no more than six months are available for JTPA-related employment and another six months for non-JTPA-related employment. Unearned income of a child derived from participating in JTPA is totally disregarded with no limitation on time. See Section 44-111.3c.~~
- (d) ~~The gross income from self-employment shall be adjusted for expenses directly related to production of goods and services before it is counted as gross income. See Section 44-113.212.~~

~~.22~~ Applying the 185 Percent Income Limit

~~The 185 percent income limit shall be applied to reported income and anticipated income.~~

~~.221~~ Reported Income

- (a) ~~When the income for the budget month reported on the Monthly Eligibility Report exceeds the 185 percent income limit for that month, the AU shall be ineligible.~~
- (b) ~~When the income results in ineligibility for the FBU and it appears that this level of income will continue, the aid shall be discontinued as soon as administratively possible. Any aid payments received for the month the excess income was received and for the subsequent month are overpayments.~~
- (c) ~~When the income results in ineligibility for the AU and it appears this level of income will not continue, the AU's aid payment shall be suspended for the payment month. See Section 44-315.6.~~
- (d) ~~When the income received in the first or second month of aid exceeds the 185 percent income limit and it appears this level of income will not continue, any aid payment received by the AU in the month the~~

~~excess income was received is an overpayment. See Section 44-313.1.~~

~~.222~~ Anticipated Income

- ~~(a) The 185 percent income limit shall be applied to the county's estimate of total gross income expected to be received in the payment month.~~
- ~~(b) When the estimated income exceeds the 185 percent income limit, the AU shall be ineligible for the payment month and aid shall be discontinued. For a month in which income is to be retrospectively budgeted (see Section 44-313.2) and for purposes of applying Section 44-207.222 only, estimated income shall not include the anticipated receipt of a regular and periodic extra paycheck.~~
- ~~(c) When aid is discontinued because the estimated total income is expected to result in ineligibility and the recipient reports this amount of income is not actually received, the county shall rescind the discontinuance and issue the correct grant.~~

~~.32~~ The following Financial Eligibility test shall be applied to both applicant and recipient cases.

- ~~.321~~ The AU is financially eligible for any month in which on the first of the month the combined actual or estimated net nonexempt income ~~for the month of members of the AU~~ plus all other countable income pursuant to Section 44-133 is less than the ~~Minimum Basic Standard of Adequate Care (MBSAC)~~ Maximum Aid Payment (MAP) for the AU and ineligible alien family members (if applicable) plus the value of any special need(s).

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~~.311~~ Example:

~~A family consisting of a parent and one child has a net income of \$420. They have a nonrecurring special need of \$50. Assume the MBSAC for two is \$408*. Since the net income of \$420 is less than \$458 (\$408* MBSAC plus \$50 nonrecurring special need), the family is financially eligible.~~

~~*These MBSAC amounts are subject to change. Use current amounts as specified in Section 44-207.112.~~

~~.312~~ Example:

~~Region 1 nonexempt AU consists of mother and one child. Also living in the home is: 1) ineligible alien spouse of aided mother (stepfather to the recipient child) and 2) an ineligible alien child in common (half-sibling of the recipient child). Ineligible alien stepfather has \$750 gross earned income.~~

\$750	Gross Earnings
<u>-90</u>	Work Expense Disregard
\$660	Subtotal
<u>-150</u>	Court Ordered Child Support Paid to a Child not Living in the Home

\$510 Net Nonexempt Income

~~\$510 < \$895 (MBSAC for 4, AU plus non-AU family members)~~

~~The AU passes financial eligibility~~

Example:

Recipient receives aid for herself and her four children. Also living in the home is the recipient's spouse (unaided stepparent). Stepparent earns \$800 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU is exempt and resides in Region 2.

Eligibility/Grant Computation:

\$300 Disability-Based Unearned Income
- 225 \$225 Income Disregard
\$ 75 Net Nonexempt Disability-Based Unearned Income

\$800 Gross Family Earned Income
- 400 50% Earned Income Disregard
\$400 Net Nonexempt Earnings
+ 75 Net Nonexempt Disability-Based Income
\$475 Total Net Nonexempt Income

\$914 Exempt MAP for Six
- 475 Total Net Nonexempt Income
\$439 Potential Grant

\$814 MAP for AU of Five
\$439 Potential Grant
\$439 Aid Payment (Lower of Potential Grant and MAP for AU)

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.322 Net Nonexempt Income

.3221 Net Nonexempt Income is gross income for the AU and ~~ineligible alien~~ other family members (if applicable), minus all applicable income exemptions (listed in Section 44-111) and income ~~deductions~~ disregards (listed in Section 44-113).

(a) Gross income includes: 1) earnings by part-time student applicants; and 2) current child support payments collected by the county, but does not include child support payments collected by the county for a child subject to MFG; (see Section 44-314.6).

.322 ~~For purposes of determining financial eligibility, the earned income exemption (\$30 and 1/3) shall be applied subject to the limitations of Section 44-111.23* and only if the person who earned the income was eligible for and received an~~

~~AFDC payment from any state during at least one of the immediately preceding four months and is currently included in the AU.~~

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~~*See Section 89-105.1 for elimination of the 4-month time limit for the \$30 and 1/3 earned income disregards and elimination of the additional 8-month limit for the \$30 earned income disregard. This will apply to those recipients who are subject to the Assistance Payments Demonstration Project as specified in Division 89.~~

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- (a) ~~A person is considered to have received an AFDC payment when:~~
 - 1. ~~The grant for the AU is reduced to zero to adjust or offset a prior overpayment; or~~
 - 2. ~~The AU has received benefits under the California Alternative Assistance Program as specified in Chapter 89-700.~~
- (b) ~~A person is not considered to have received an AFDC payment if the AU was on other noncash grant status including:~~
 - 1. ~~Zero Basic Grants (44-315.422) where no payment is made for recurring special needs.~~
 - 2. ~~Refused Cash Grant, except as provided for in Section 44-207.322(a)(2), or other Medi-Cal-Only cases under Title 22 of the California Code of Regulations.~~

.323 Financial eligibility shall be determined on the basis of actual net nonexempt income or a reasonable estimate of net nonexempt income expected to be received during the month. Such an estimate must be based on all relevant information available to the county and the recipient. ~~For a month in which income is to be retrospectively budgeted (see Section 44-313.2) and for purposes of applying Section 44-207.33 only~~ To determine financial eligibility in a retrospectively budgeted month, estimated income shall not include the anticipated receipt of a regular and periodic extra paycheck. An ~~FBU~~ Assistance Unit which received aid for a month based on a reasonable estimate of net nonexempt income shall not later be considered financially ineligible if actual net nonexempt income exceeds the estimate.

.324 (Continued)

.25 Adding Persons to the Assistance Unit

When adding persons to an existing AU, the AU is subject to the recipient financial eligibility test.

.43 Treatment of Lump Sum Income

This section sets forth the methods used for treating lump sum income. ~~It includes the definition of lump sum income, the computation to determine if the receipt of lump sum income results in a period of ineligibility, and when to apply the period of ineligibility.~~

[Sections 44-207.41 and .411 are being renumbered to Section 44-101.12]

.31 Lump sum income received by any person whose income would be used in computing eligibility and grant shall be regarded as income in the month received and then regarded as property in subsequent months. (See Section 42-211).

~~.412 Lump sum income received by a person who is required to be included in the AU but is sanctioned is subject to the lump sum income computation. The MBSAC is not increased by the needs of such a person.~~

~~.413 Lump sum income received by a person in the AU who is not required to be in the AU pursuant to the mandatory inclusion provisions at Section 82-820.3 is treated as follows:~~

~~(a) If the person who receives the lump sum requests termination after receipt, that person and all AU members who are required to be aided with that person will be terminated with a lump sum period of ineligibility (POI). The earliest the person(s) can be terminated is the last day of the month in which a request for termination is made. No person(s) shall be terminated retroactively.~~

~~(b) All members of the AU in the budget month shall be ineligible for at least one month due to the receipt of the lump sum in the budget month provided the lump sum is sufficient to make the AU ineligible in accordance with Section 44-207.31 (see Section 44-315.8 for suspense rules and Sections 44-207.42 and 44-207.43 for lump sum POI rules).~~

~~(c) The person(s) removed from the AU shall serve a POI computed as follows:~~

~~(1) Reduce the lump sum income by the difference between the MBSAC amount for all persons who were included in the AU in the month the lump sum was received and the MBSAC for the number of persons serving the POI.~~

~~(2) Divide the remaining lump sum income plus the net nonexempt income in the budget month of all persons serving the POI by the MBSAC plus any special needs for the number of persons serving the POI. When ineligible alien family members pursuant to Section 44-133.5 live in the home, the MBSAC shall be increased for each ineligible alien family member.~~

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- (A) ~~Example: An AU consists of a caretaker relative, her two children, and her nephew. The nephew receives lump sum income of \$2,500 on June 29, 1996. On July 3, 1996 the caretaker relative reports this income on her June CA 7 and requests that the nephew be terminated from the AU. The nephew is discontinued effective July 31, 1996 and a lump sum POI begins August 1. Aid for the caretaker relative and her two children is suspended for the payment month of August due to the receipt of the lump sum.~~

The POI is computed as follows:

- 866 MBSAC for the four aided persons in the month the lump sum was received:
-358 MBSAC for the one person serving the POI:
508 MBSAC differential
500 Lump sum income
-508 MBSAC differential
1,992 Lump sum income used for POI calculation.

Divide the lump sum by the MBSAC for one person because the POI rules only apply to the nephew:

1,992 divided by 358 equals a 5-month POI.

The nephew is ineligible for five months (August through December) and the remaining \$202 is counted as income in the sixth month (January).

- (B) ~~Example: An AU consists of a caretaker relative, her child, her husband, and his child by a former marriage. There are no other persons in the home. The husband receives lump sum income of \$2,500 on June 9, 1996. On June 12 the caretaker relative informs her worker of this fact and requests that her husband be terminated from her case. The husband and his child are discontinued June 30, 1996. Because the county has time to take action, the POI begins July 1, 1996. His wife and her child are suspended for the payment month of August due to receipt of the lump sum.~~

The POI is computed as follows:

~~866 MBSAC for the four aided persons in the month the lump sum was received.~~

~~-588 MBSAC for the two persons serving the POI.~~

~~-278 MBSAC differential~~

~~2,500 Lump sum income~~

~~278 MBSAC differential~~

~~2,222 Lump sum income used for POI calculation.~~

~~Divide the lump sum by MBSAC for two persons because only the father and his child will be serving the POI.~~

~~2,222 divided by 588 equals a 3-month POI (July through September). The remaining \$458 is counted as income in the fourth month (October).~~

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~~.414 Lump sum income is not subject to the lump sum income computation when it is received by:~~

~~(a) A stepparent living in the same household as the AU but who is not included in the AU as an applicant, recipient or essential person.~~

~~(b) A person who is excluded from the AU by law.~~

~~.415 Income of a stepparent who is not included in the AU or a person excluded from the AU by law shall be considered available to the AU. The amount of income available to the AU is determined by applying the appropriate computation (Section 44-133). If the countable income, including the lump sum, exceeds the MBSAC plus any special needs for the AU plus the ineligible alien family members for the month, the AU is ineligible for that month (see Section 44-315.8 for regulations governing one-month suspensions). Any portion of the lump sum income retained by the stepparent or the person excluded from the AU by law subsequent to the month of receipt represents property (see Sections 42-203.5, 42-205.3, and 42-205.4).~~

~~.416 When lump sum income is earned, apply the appropriate work-related disregards in accordance with Section 44-113.2. The resulting net nonexempt income is subject to the lump sum computation.~~

~~.417 When lump sum income is not earned the appropriate deductions described in Section 44-113.3 through .12 shall apply.~~

~~.42 Lump Sum Income Computation~~

The following computation applies to lump sum income which was received but not reported to the county, and to reported lump sum income received in the budget month:

.421 Divide the total of the lump sum income, plus any other net nonexempt income received in the budget month by the total of the MBSAC plus any special needs. When ineligible alien family members pursuant to Section 44-133.5 live in the home, the MBSAC shall be increased for each ineligible alien family member.

.422 The resulting whole number is the number of months of ineligibility for the AU.

.423 If there is a remainder from this division, the remainder shall be counted as income in the month following the end of the period of ineligibility in Section 44-207.422. (See Section 44-102(d).) This remainder shall not be counted as income in any other month.

.43 Applying the Lump Sum Income Period of Ineligibility

.431 Lump Sum Income Received by Applicants and Recipients

When the family has received lump sum income which results in a period of ineligibility, the period of ineligibility begins as follows:

(a) When the period of ineligibility is less than two months, the period of ineligibility shall begin in the payment month and aid shall be suspended. (See Section 44-315.6.)

(b) When the period of ineligibility is two months or more, aid shall be discontinued and the period of ineligibility shall begin in:

1. The month following receipt of the lump-sum income when the county has taken appropriate action to avoid or minimize an overpayment for that month. Any aid received by the family unit during that month is an overpayment.

OR:

2. The payment month.

(c) When the lump-sum income is discovered too late to suspend or discontinue for the corresponding payment month, the period of ineligibility shall begin in the payment month and any aid payments received during the period of ineligibility are overpayments.

(d) When the lump-sum income is received in the first or second month of aid, any resulting period of ineligibility begins in the month the lump-sum income is received. Any aid received during the period of ineligibility is an overpayment.

- (e) When the lump sum is received in the month of application the period of ineligibility shall begin in that month.

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- .432 The court order in Rutan vs. McMahon requires that an applicant or recipient must be informed of the lump sum rules before a period of ineligibility can be applied.

HANDBOOK ENDS HERE

- .44 The period of ineligibility may be shortened when the ineligible family reapplies and one or more of the following situations occurs:
 - .441 The standard of need increases and the amount the family would have received also changes. This includes any general increase in the MBSAC (COLA increases), or a determination that the ineligible family would be eligible for a special need item pursuant to MPP 44-211.2 or .3.
 - .442 The family incurs and pays for medical expenses. This includes any medical expenses that are not covered by Medi-Cal or private medical insurance.
 - .443 All or part of the lump-sum income becomes unavailable to the family for a reason beyond the control of the family. Lump-sum income shall be considered unavailable when it has been spent for items which a family on aid would not be expected to meet from its grant or when it is no longer available to the family due to loss, theft, or similar occurrence.
 - (a) Acceptable situations where the lump sum becomes unavailable shall include, but are not limited to: theft or loss of the lump-sum income; spouse leaves the home with lump-sum income; the lump sum is spent on expenses to meet needs due to sudden and unusual circumstances of a life threatening nature; or all or part of the lump sum is spent on reasonable and necessary funeral expenses for an assistance unit member or any person who is identified in the degree of relatedness provisions specified in Section 82-808.11 and who resided with the assistance unit within ninety days of his/her death.
 - (b) Unacceptable situations when the lump sum becomes unavailable shall include but are not limited to: the lump sum is spent on the repair of the home or replacement or repair of major appliances due to normal wear and tear; the lump sum is spent on an increase in utility costs or rent; or the lump sum is spent on the purchase of additional property (real or personal).
 - (c) In situations where the ineligible family would be eligible for a special need item pursuant to 44-211.3, the period of ineligibility is shortened first according to the provision in .441 above and if the expense of the need item is more than the specified amount, then provision .443 is followed.

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~~For example: An ineligible family's house is destroyed by a fire in May. They must pay first and last month's rent (a total of \$600) for housing and a utility deposit of \$100. The family received a lump sum of \$2,000 in February, the standard of need is \$400. The family is ineligible for five months, April through August. They apply to shorten their period of ineligibility in May. The family's total expenses in May are \$700; they are eligible for a nonrecurring special need of \$600 and \$100 of their lump-sum income was unavailable to the family for a reason beyond their control. The period of ineligibility is recalculated as follows: $\$2,000 - \$700 = \$1,300$. $\$1,300$ is divided by $\$400 = 3$ months plus \$100 remainder. The family's period of ineligibility is from April through June; \$100 would be counted as income in July.~~

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- ~~(d) Once it is determined that the lump-sum income becomes unavailable to a family for reasons beyond its control, the county must substantiate such a finding in the case record.~~
- ~~.45 Verification of expenditures for items or services shall be provided by the ineligible family unit at the county's request. The principles and methods of gathering evidence as set forth in 40-157.2 and 40-157.3 shall be observed.~~
- ~~.46 When one of the situations described in Section 44-307.44 is applicable, the county shall apply the following computation to reduce the period of ineligibility;~~
- ~~.46+ When the standard of need increased (COLA or eligibility for recurring special need):~~
 - ~~(a) Identify the original total lump-sum income amount.~~
 - ~~(b) Calculate the original total MBSAC plus any special needs allocated to the ineligible family unit for the ineligible months prior to the increase. Subtract the total from the total income amount in (a) above.~~
 - ~~(c) Divide the difference calculated in (b) above by the increased standard of need. The revised period of ineligibility is the resulting number of months calculated plus the number of ineligible months prior to the increase. The revised period of ineligibility shall begin in the same month as the originally calculated period of ineligibility.~~
 - ~~(d) When the remainder is less than the MBSAC for the family (including any excluded person) plus special needs for the assistance unit, the amount shall be counted as income in the month following the period of ineligibility.~~

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~~Example: The assistance unit receives a lump sum of \$10,000 in August 1986. The standard of need is \$500. The family is ineligible for 20 months, October 1986 through May 1988. In July the standard of need increases to \$600. The family applies to shorten the period of ineligibility in July 1987. The recalculation done in July, would be done with the assumption that \$5,500 (\$10,000 - \$4,500) of the lump-sum income was still available since the family should have budgeted \$500 for October 1986 through June 1987 (9 months x \$500 = \$4,500). The \$5,500 is divided by \$600. The family is ineligible nine more months, July 1987 through March 1988; \$100 would be counted as income in April. The period of ineligibility has been shortened by two months.~~

~~HANDBOOK ENDS HERE~~

- ~~.462 When the lump-sum income becomes unavailable to the family for a reason beyond the control of the family or the family incurs and pays for medical expenses or the family is eligible for a nonrecurring special need:~~
- ~~(a) Identify the original total lump-sum amount.~~
 - ~~(b) From this total, subtract the amount of the nonrecurring special need or the amount of the unavailable lump sum or the amount of the medical expense.~~
 - ~~(c) Use the remainder from this subtraction for the lump-sum income amount and apply the lump-sum income calculation to establish a revised period of ineligibility. (See Section 44-207.42.) The revised period of ineligibility shall begin in the same month as the originally calculated period of ineligibility.~~
 - ~~(d) When the remainder from this subtraction is less than the MBSAC for the family (including any excluded person) plus special needs for the FBU, the amount shall be counted as income in the month following the period of ineligibility.~~

~~HANDBOOK BEGINS HERE~~

~~Example: Same case situation as the example in .461 above. The family is eligible for a nonrecurring special need item in April 1987. The family applies to shorten the period of ineligibility in April 1987. \$10,000 - \$500 = \$9,500. The \$9,500 is divided by \$500. The new period of ineligibility is 19 months with no remainder.~~

~~HANDBOOK ENDS HERE~~

Authority Cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code.

Reference:

Sections 10553, 10554, 11017, 11157 (Ch. 270, Stats. 1997), 11255, and 11280, 11450.12 (Ch. 270, Stats. 1997), 11450.13 (Ch. 270, Stats. 1997), and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahon, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgement; Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

Amend Section 44-315 to read:

44-315 AMOUNT OF AID

44-315

- .1 Definitions These definitions are specific to and for purposes of this section only.
- .11 Net Nonexempt Income "Net Nonexempt Income" means all earned income and disability-based unearned income less applicable disregards, plus any ~~and~~ unearned income ~~less applicable disregards~~. (Continued)
- .12 Grant Amount "Grant Amount" means the amount of ~~AFDC~~ cash aid which is to be paid to the AU for a given month.
- .13 Potential Grant Potential Grant" means the subtotal after the net nonexempt income is subtracted from the ~~MBSAC~~ MAP plus special needs for the family. The potential grant may equal the grant amount if the potential grant is equal to or less than the MAP plus any special needs for the AU only.
- .2 County Responsibility (Continued)
- .3 Amount of Grant (Continued)
- .31 ~~MBSAC~~ "Family" MAP Determine the ~~Minimum Basic Standard of Adequate Care (MBSAC) for the AU~~ Maximum Aid Payment (MAP) for all family members whose needs are considered in the payment month. The ~~MBSAC and MAP are~~ is set forth in Welfare and Institutions Code Sections 11450 ~~and 11452~~.

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.311 MBSAC and MAP Levels

(a) REGION 1 MBSAC/MAP STANDARDS EFFECTIVE 07/01/97

# in AU	185%	<u>MBSAC</u>	<u>EXEMPT*</u>		<u>NONEXEMPT*</u>	
			<u>MAP</u>	<u>80%</u>	<u>MAP</u>	<u>80%</u>
1	684	370	311	248	279	223
2	1122	607	509	407	456	364
3	1394	754	631	504	565	452
4	1655	895	750	600	673	538
5	1887	1020	855	684	767	613
6	2121	1147	961	768	861	688
7	2331	1260	1055	844	946	756
8	2540	1373	1150	920	1030	824
9	2754	1489	1243	994	1113	890
10 or more**	2989	1616	1335	1068	1196	956

REGION 2 MBSAC/MAP STANDARDS EFFECTIVE 07/01/97

# in AU	185%	<u>MBSAC</u>	<u>EXEMPT*</u>		<u>NONEXEMPT*</u>	
			<u>MAP</u>	<u>80%</u>	<u>MAP</u>	<u>80%</u>
1	651	352	295	236	266	212
2	1069	578	485	388	434	347
3	1326	717	601	480	538	430
4	1574	851	714	571	641	512
5	1794	970	814	651	730	584
6	2018	1091	914	731	819	655
7	2216	1198	1004	803	900	720
8	2414	1305	1094	875	980	784
9	2619	1416	1183	946	1059	847
10 or more**	2843	1537	1270	1016	1138	910

* See MPP Section 89-110.2 for definition of Exempt and Nonexempt AUs.

** For MBSAC add fourteen dollars (\$14) for each additional needy person.

(b) ~~MBSAC/MAP STANDARDS FOR APDP/CWPDP CONTROL GROUP*~~

<u># in AU</u>	<u>185% of MBSAC</u>	<u>MBSAC</u>	<u>MAP</u>	<u>80% of MAP</u>
†	638	345	326	260

2	1048	567	535	428
3	1300	703	663	530
4	1542	834	788	630
5	1761	952	899	719
6	1979	1070	1010	808
7	2173	1175	1109	887
8	2369	1281	1209	967
9	2567	1388	1306	1044
10 or more**	2789	1508	1403	1122

* ~~Applies to recipients designated as APDP/CWPDP Control Group participants in Alameda, Los Angeles, San Bernardino and San Joaquin counties (see Section 89-101.2).~~

** ~~For MBSAC, add fourteen dollars (\$14) for each additional needy person.~~

(Handbook Continues)

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- | | | |
|-----|---------------------------|---|
| .32 | Add Special Need Payment | Add any special need payment amounts for the AU <u>family</u> to the MBSAC MAP . (Continued) |
| .34 | Potential Grant | Subtract the net nonexempt income amount from the MBSAC MAP plus special need for the AU <u>family</u> . This is the potential grant amount. |
| .35 | <u>AU</u> MAP | Determine the Maximum Aid Payment (MAP) for the <u>AU</u> <u>only</u> . The MAP and MBSAC <u>are</u> is set forth in Welfare and Institutions Code Sections 11450 and 11452. |
| .36 | Add Special Need Payments | Add any special need payments for the family <u>AU</u> <u>only</u> to the MAP. |
| .37 | Actual Grant Amount | The actual grant amount is the lesser of the potential grant amount or the sum of the MAP plus special needs <u>for the AU only</u> . <u>For minor parent grant computation, see Section 89-201.5 and .6.</u> |

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.371 For additional Amount of Aid requirements applicable to pregnant or parenting minors who are Cal-Learn participants, see Section 42-762.7 of the California Work Pays Demonstration Project, see Section 89-201.5 and .6.

.38 Computation Examples

(a) Example 1

~~A nonexempt AU of 4 persons in a Region 1 county has net nonexempt income (net countable income) of \$25 and special needs of \$10. The MBSAC (Basic Need) for the AU is \$872 and the MAP (Maximum Aid) is \$673.~~

~~The computation is shown below (it parallels the Notice of Action format):~~

1.	Basic Need for 4 Persons		\$ 872
2.	Special Needs		+10
3.	Net Countable Income	= 25	
4.	Basic Need Subtotal		=857
5.	Maximum Aid for 4 Persons	\$ 673	
6.	Special Needs		+10
7.	Maximum Aid Subtotal	=683	
8.	Full Month Aid Subtotal (Lower Amount on Line 4 or 7)	=683	

(b) Example 2

~~An exempt AU of 4 persons in a Region 2 county has net nonexempt income (net countable income) of \$625 and special needs of \$10. The MBSAC (Basic Need) for the AU is \$829 and the MAP (Maximum Aid) is \$714.~~

~~The computation shown below parallels the Notice of Action format:~~

1.	Basic Need for 4 Persons		\$ 829
2.	Special Needs		+10
3.	Net Countable Income		=625
4.	Basic Need Subtotal		=214
5.	Maximum Aid Payment for 4 Persons		\$ 714
6.	Special Needs		+10
7.	Maximum Aid Payment Subtotal		=724
8.	Full Month Aid Subtotal (Lower Amount on Line 4 or 7)		=214

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children). The stepfather has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775 Earned Income for the family
- 225 \$225 Income Disregard
\$ 550 Subtotal
- 275 50% Earned Income Disregard
\$ 275 Total Net Nonexempt Income

\$ 673 "Family" MAP for four (mom, stepfather and two children) Region 1
+ 47 Special Needs AU (third trimester of pregnancy)
\$ 720 Total (MAP plus Special Needs)
- 275 Net Nonexempt Income
\$ 445 Potential Grant

\$ 565 Nonexempt AU MAP for three (Region 1)
+ 47 Special Needs for AU
\$ 612 Total MAP plus Special Needs

\$445 Actual Grant Amount
(lesser of potential grant or AU MAP plus special needs)

Example 2:

A nonexempt AU of three (an adult and two children) has gross earned income of \$800 per month and the children received \$300 in Social Security Disability Insurance benefits from the absent parent's disability claim. The family lives in Region 1.

\$ 300 Disability-based Unearned Income (SSDI)
- 225 \$225 Income Disregard
\$ 75 Nonexempt Disability-Based Income

\$ 800 Earned Income
- 400 50% Income Disregard
\$ 400 Nonexempt Earned Income
+ 75 Nonexempt Disability Based Income
\$ 475 Total Net Nonexempt Income

\$ 565 Nonexempt MAP for three (Region 1)
- 475 Total Net Nonexempt Income
\$ 90 Grant Amount

Example 3:

A nonexempt AU of four (mother, father, and their two children) has gross earned income of \$775 per month. The father has \$150 in Social Security Disability benefits per month and \$300 in veteran's benefits. The family lives in Region 1.

\$ 150	<u>Disability-Based Unearned Income</u>
- 225	<u>\$225 Income Disregard</u>
\$ 75	<u>Nonexempt Unearned Disability-Based Income</u>
\$ 775	<u>Earned Income</u>
- 75	<u>Remainder of \$225 Income Disregard (\$225 - \$150)</u>
\$ 700	<u>Subtotal</u>
- 350	<u>50% Earned Income Disregard</u>
=350	<u>Nonexempt Earned Income</u>
+ 0	<u>Nonexempt Unearned Disability-Based Income</u>
+300	<u>Nonexempt Unearned Income (Veteran's Benefits)</u>
\$ 650	<u>Total Net Nonexempt Income</u>
\$ 673	<u>Nonexempt MAP for four (Region 1)</u>
- 650	<u>Net Nonexempt Income</u>
\$ 23	<u>Grant Amount</u>

HANDBOOK ENDS HERE

.4 Special Needs (Continued)

[Existing Section 44-315.9 et seq. is being renumbered to new Section 44-316.1 et seq.]

.9 Zero Basic Grant

.91 An AU is considered to have received a cash aid payment even when:

- .911 The payment is not sent due to penalty which reduced the payment to zero, or
- .912 The grant amount is \$10 or less. See Section 44-315.5 regarding grants \$10 or less, or
- .913 The grant for the AU is reduced to zero to adjust for a prior overpayment, or
- .914 The grant based on On-The-Job Training is diverted to the employer as a wage subsidy to offset the participant's wages. See Section 42-701.2.

Authority Cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11004 (Ch. 270, Stats. 1997), 11017, 11209, 11253.5(d) and (e) (Ch. 270, Stats. 1997), 11254, 11265.8(a) (Ch. 270, Stats.

1997), 11323.4 (Ch. 270, Stats. 1997), 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11451.5 (Ch. 270, Stats. 1997), 11452, and 11453, Welfare and Institutions Code; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

Adopt Section 44-316 and Renumber Section 44-315.9 et seq. to Section 44-316.1 et seq. and amend to read:

44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND 44-316
GRANT DETERMINATIONS

~~44-315.9 et seq.~~

.1 Required Reporting of All Changes Affecting Eligibility and Grant Determination

.11 All recipients are required to promptly report to the county any changes in eligibility or grant determination factors.

.12 Additionally, prior to the end of each budget period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant in that budget period or expected changes in subsequent budget periods. For all ~~AFDC~~ CalWORKS recipients except AFDC-FC, such information shall be reported on the CA 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22, then the recipient's grant will be terminated in accordance with Operations Manual Section 22-022. Though the CA 7 is not applicable to AFDC-FC, every effort shall be made by the county to insure that foster parents and children are aware of the necessity to report any change in need or income for the child.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 10063 (Ch. 270, Stats. 1997), Welfare and Institutions Code.

Amend Section 44-402 to read:

44-402 COMPUTATION OF A REDUCED INCOME SUPPLEMENTAL 44-402
PAYMENT

- .1 A reduced income supplemental payment shall equal the difference between 80 percent of the AU MAP level minus the ~~assistance unit's~~ family's available net nonexempt available income estimated for the reduced income supplemental payment month.

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.11 (Continued)

- ~~.12 See Section 44-315.311 for current 80% of MAP amounts for recipients designated as APDP/CWPDP Control Group Participants in Alameda, Los Angeles, San Bernardino and San Joaquin counties (see Section 89-101.2).~~

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~~.132 (Continued)~~

.2 (Continued)

.21 (Continued)

[ORD #0498-12 is repealing existing Sections 44-402.211 and .212, and renumbering existing Sections 44-402.213 and .214 to Sections 44-402.211 and .212 respectively. These amendments are to be effective July 1, 1998.]

- .212 The amount that would otherwise be adjusted to recover an overpayment shall not be ~~adjusted~~ considered when computing the amount for the payment month. (Continued)

- ~~.213 Any portion of the grant which represents a child support penalty shall not be considered when computing the grant amount for the payment month.~~

- .22 The total net nonexempt income estimated to be available in the reduced income supplemental payment month; shall be established in accordance with the income definitions in Chapter 44-100. ~~The following disregards are not allowed plus the \$50 child/spousal support disregard.~~

- ~~.221 The \$30 and 1/3 disregard.~~

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(See Section 44-111.23.)

HANDBOOK ENDS HERE

~~.222 The \$30 disregard.~~

HANDBOOK BEGINS HERE

(See Section 44-111.24.)

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~~.223 The child/spousal support disregard.~~

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~~This includes the amount disregarded from direct child/spousal support payments received by the recipient and/or the child/ spousal support disregard payments received from the CWD in the reduced income supplemental payment month. (See Section 44-111.47.)~~

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~~.3 The ten dollar (\$10) payment limit specified in Section 44-315.4325 shall not apply to the reduced income supplemental payments. (Continued)~~

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~~.7 Example of Reduced Income Supplemental Payment Issuance:~~

~~A. FACTS~~

- ~~(1) Assistance Unit is comprised of a working mother and one child.~~
- ~~(2) January grant is \$188.~~
- ~~(3) Mother receives notice that her hours of employment are reduced effective December 31 of the preceding year.~~
- ~~(4) Mother was receiving \$500 a month in wages, and will be receiving \$300.~~
- ~~(5) Mother has no reasonable expectations of receiving additional earned (or unearned) income in January.~~
- ~~(6) Mother is no longer eligible for \$30 and 1/3, but does qualify for the \$30 disregard.~~
- ~~(7) Mother pays \$85 in child care.~~

- (8) ~~Mother receives \$50 per month payment from the county welfare department for child support received by the county welfare department.~~
- (9) ~~CWD receives recipient's Reduced Income Supplemental Payment Request Form on January 8.~~

~~B. CWD ACTION~~

- (1) ~~CWD determines that CA 40 is complete.~~
- (2) ~~CWD determines the CA 7 due in December, reporting November's income, was timely and complete.~~
- (3) ~~CWD determines that there is a decrease in net nonexempt earned (net countable) income from November to January.~~
- (4) ~~CWD computes net available income for the reduced income supplemental payment month:~~
 - (a) ~~The total grant that the family would otherwise receive in the reduced income supplemental payment month is \$188.~~
 - (b) ~~Repealed by SDSS Manual Letter No. EAS-89-06, effective 10/1/89.~~
 - (c) ~~Repealed by SDSS Manual Letter No. EAS-89-06, effective 10/1/89.~~
 - (d) ~~The computation would appear on the CA 40 as follows:~~

\$300	estimated earned income for January
= 90	work expense disregard
= 85	dependent care disregard
\$125	net earnings
+188	aid in January before overpayment adjustment
= 50	support disregard received in January
\$ 363	net available income in January

(5) ~~CWD computes reduced income supplemental payment:~~

(a) ~~MAP for assistance unit is \$535~~

(b) ~~80% of MAP is \$428~~

(c) ~~80% of MAP is greater than the net available income (\$428 > \$363)~~

(d) ~~Reduced Income Supplemental Payment = 80% of MAP less net available income, or~~

~~\$428~~

~~=363~~

~~\$ 65~~

~~Reduced Income Supplemental Payment~~

An AU of two, a mother and one child, nonexempt and resides in Region 1, has a grant of \$188 in January. The mother's hours of employment are reduced effective December 31 of the preceding year. She was receiving \$500 a month but her wages were reduced to \$295 and she expects no additional income in January. She receives \$50 child support disregard per month from the county welfare department for child support received by the county. The mother applies for a RISP on January 8. The county determines that there is a decrease in net nonexempt earned income from November to January.

Computation:

Step 1 - Computing Total Available Income

\$ 295 Estimated earned income in January

- 225 Income Disregard

\$ 70 Subtotal

- 35 50% Earned Income Disregard

\$ 35 Net Nonexempt Income

+188 Aid in January (before overpayment adjustment, if applicable)

+ 50 Child Support Disregard received in January

+ 35 Net nonexempt income

\$ 273 Total available income in January

Step 2 - Computing RISP Payment

\$ 364 80% of AU MAP (\$456) for two

- 273 Minus Total Available income

\$ 91 Reduced Income Supplemental Payment

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Authority cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code.

Reference: Sections 11017, 11255, 11450, 11450.015, ~~and~~ 11450.2, and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; 45 CFR 237.27; Federal Terms and Conditions for the California Assistance Payments Demonstration

Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

Amend Section 89-201 to read:

89-201 MINOR PARENT REQUIREMENT (Continued)

89-201

- .5 Senior Parent ~~Deeming~~ Income When the minor parent lives with his/her parent(s), the senior parent deeming, income is considered pursuant to Section 44-133.752, ~~shall apply~~.
- .51 Ineligible Minor When senior parent's ~~deeming, income~~ pursuant to Section 44-133.752, results in ineligibility of the minor's AU: (Continued)
- .512 Senior parent income shall not be ~~deemed~~ considered available to the minor parent's child(ren). (Continued)
- .514 The minor parent's income shall be ~~deemed~~ considered available to the child(ren)'s AU using the excluded parent computation, pursuant to Section 44-133.3351.

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- .52 Example: ~~Senior parent with one child. \$2000 earned income. Minor parent with baby. Minor receives \$350 Survivor's Benefits.~~
- ~~The AU is Non-Exempt~~
- ~~Step 1: Apply senior parent deeming (See Section 44-133.7):~~
- $$\begin{array}{rcl} \$1319 & \text{Senior parent income allocated to AU} & \\ + 350 & \text{Minor parent income} & \\ \hline \$1669 & = & \text{AU's total income} \end{array}$$
- ~~\$1669 > \$1095* (185% MBSAC for 2) AU fails 185% test.~~
- ~~\$1669 > \$ 592* (MBSAC for 2) AU fails financial eligibility test.~~
- ~~Step 2: Since minor is ineligible based on excess senior parent income, determine whether minor's baby is eligible using minor's income.~~
- ~~Exclude the minor parent from the AU. Establish new Non-Exempt AU for one (minor's baby).~~
- ~~Determine minor parent's baby's eligibility based on minor parent's and her baby's income. Minor has \$350 unearned income.~~

~~\$592*~~ MBSAC for 2
~~=361*~~ MBSAC for 1
~~\$231~~ MBSAC Differential

~~\$350~~ Net Income
~~=231~~ MBSAC Differential
~~\$119~~ Income to AU

~~\$119 < \$667* (185% MBSAC for 1 - minor's baby)~~
~~\$119 < \$361* (MBSAC for 1 - minor's baby)~~

AU passes income eligibility tests:

Step 3: Calculate the minor's baby's grant using the excluded parent computation to determine AU's grant.

~~\$361*~~ MBSAC for 1
~~=119~~ Income to Assistance Unit
~~\$242~~ Potential Grant Amount

~~\$ 293*~~ MAP for 1 (Non-Exempt)
~~>242~~ Potential Grant Amount
~~\$ 242~~ GRANT AMOUNT (Lesser of MAP for minor's child(ren) or potential grant amount)

.52 Example: Ineligible
 Minor Parent

Minor Parent is receiving aid on behalf of her dependent child. Minor parent is excluded from AU due to excess senior parent income. Also in the home are two of the minor parent's siblings. Senior parent earns \$1399 per month and minor parent receives \$350 in Social Security Survivor's Benefits. The minor parent is nonexempt and resides in Region 1.

Eligibility/Grant Computation

<u>\$1399</u>	<u>Gross Family Earnings</u>
<u>- 225</u>	<u>\$225 Income Disregard (No Disability-</u>
	<u>Based Income)</u>
<u>\$1174</u>	<u>Subtotal (Nonexempt Earnings)</u>
<u>- 587</u>	<u>50% Earned Income Disregard</u>
<u>\$ 587</u>	<u>Net Nonexempt Earned Income</u>
<u>350</u>	<u>Other Nonexempt Unearned Income</u>
<u>\$ 937</u>	<u>Total Net Nonexempt Income</u>
<u>\$767</u>	<u>Family's Nonexempt MAP for five - Region</u>
	<u>1</u>
<u>-937</u>	<u>Net Nonexempt Income</u>
<u>\$ 0</u>	<u>Potential Grant (Minor Parent is not eligible</u>
	<u>to be included in AU)</u>

If the minor has no income, the minor parent is eligible to receive the MAP for the minor's child(ren).

Since the minor parent is ineligible to be included in the AU, the minor parent's income must be treated like an excluded parent (Non-AU member) as follows:

<u>\$ 0</u>	<u>Earned Income/Disability-Based Unearned</u>
	<u>Income)</u>
<u>+350</u>	<u>Other Nonexempt Unearned Income</u>
<u>\$ 350</u>	<u>Total Net Nonexempt Income</u>
<u>\$456</u>	<u>MAP for two (Minor parent and child)</u>
<u>-350</u>	<u>Total Net Nonexempt Income</u>
<u>\$106</u>	<u>Potential Grant</u>
<u>\$279</u>	<u>MAP for one (Minor's child)</u>
<u>\$106</u>	<u>Aid Payment (Lesser of Potential Grant or</u>
	<u>MAP for Minor's Child)</u>

*The ~~MBSAC~~ and MAP amounts are subject to change. The MAP amounts assumes that both the senior and minor parents are eligible for the Non-Exempt MAP amounts. See Handbook Section 44-315.3+21 for currently applicable amounts.

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.53 Eligible Minor When considering a senior parent's (parents') deeming income, pursuant to Section 44-133.752, does not result in ineligibility of the minor ~~parent's AU~~ and:

.531 Minor in Own AU The minor parent ~~shall be~~ is eligible to be included in ~~the his/her own AU, and or~~

<u>.532</u>	<u>Eligible Minor in Senior Parent's AU</u>	<u>The minor parent is eligible to be included in the senior parent's AU, then</u>
-------------	---	--

.5323 Senior parent's ~~deeming~~ income shall apply ~~be~~
considered and the AU's grant amount shall be the
greater of:

- (a) The actual grant amount calculated pursuant to Section 44-315.3, or
- (b) The MAP for the minor parent's child(ren) plus any special needs for the minor parent's aided child(ren) and less any overpayment adjustment and/or Cal-Learn sanction.

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~~.54 Example:~~

~~Senior Parent Unit consists of two senior parents and one child (the parents and a sibling of the minor).~~

~~AFDC assistance unit (AU) consists of a minor and one aided child. The AU is Non-Exempt.~~

~~One senior parent earns \$900 within the month from full-time employment. The other senior parent earns \$400 within the month from part-time employment.~~

~~No payments are made by the senior parents to persons living outside the home.~~

~~Step 1: Apply senior parent deeming (See Section 44-133.7):~~

\$900	Gross income of 1st senior parent
<u>-90</u>	Less work expense disregard
\$810	Net Income

\$400	Gross income of 2nd senior parent
<u>= 90</u>	Less work expense disregard
\$310	Net Income

~~\$1120 Net income of both senior parents~~
~~=735*Less MBSAC for Senior Parent Unit (3~~
~~persons)~~
~~\$ 385 Senior parent income allocated to AU~~

\$592*	MBSAC for AU of 2 (minor and child)
=385	Less senior parents' income allocated to AU
\$207	Potential grant (Note: minor is eligible and must be included in AU)

~~Step 2: If the minor is eligible, determine minor's grant amount by comparing potential grant with MAP for minor's child.~~

~~\$293* MAP for 1 (Non-Exempt)~~

~~\$207 Potential Grant~~

~~\$293 GRANT AMOUNT (Greater of potential grant or MAP for minor's child)~~

~~*The MBSAC and MAP amounts are subject to change. The MAP amounts assumes that both the senior and minor parents are eligible for the Non-Exempt MAP amounts. See Handbook Section 44-315.311 for currently applicable amounts.~~

.54

The following computation applies when the minor parent is in his/her own AU or when the eligible minor parent is included in the senior parent's AU.

Example: Eligible Minor Parent

Minor parent is receiving aid for herself and her dependent child. Minor parent lives with both her parents and a sibling. One senior parent earns \$900 per month from full-time employment. The other senior parent earns \$400 per month from part-time income and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The minor parent is nonexempt and resides in Region 1.

Eligibility/Grant Computation:

\$125 Disability-Based Unearned Income
- 225 \$225 Income Disregard
-\$100 Net Nonexempt Disability-Based Income

\$1300 Gross Family Earnings
- 100 Remainder of \$225 Disregard
\$1200 Earnings Subject to 50% Disregard

\$600 Net Nonexempt Earned Income
+ 0 Other Nonexempt Unearned Income
\$600 Net Nonexempt Income

\$767 Family's Nonexempt MAP for 5 in Region 1
- 600 Net Nonexempt Income
\$167 Potential Grant (Minor Parent is eligible to be
 included in AU)
\$279 MAP for one (Minor's child)
\$279 Aid Payment (higher of Potential Grant and
 MAP for Minor's Child)

This minor parent living with the senior parent is
eligible to receive MAP for the minor's child because
it is greater than the potential grant.

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~~.6~~ ~~Eligible Minor Included~~
~~in Senior Parent's AU~~

~~When the minor is included in the senior parent's~~
~~AU, the AU's grant amount shall be the greater of:~~

~~.61~~

~~The actual grant amount calculated pursuant to~~
~~Section 44-315.3, or~~

~~.62~~

~~The MAP for the minor's child(ren) plus any special~~
~~needs for the aided child(ren) and less any~~
~~overpayment adjustment and/or Cal-Learn sanction.~~

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~~.63~~ ~~Example~~

~~AU of 4, includes senior parent, minor parent, minor's~~
~~sibling and minor's child.~~
~~Senior parent earns \$475.~~
~~Minor receives \$350 Survivor's Benefits.~~
~~The AU is Non-Exempt.~~

~~\$475~~ ~~Senior parent's earned income~~
~~= 90~~ ~~Standard Work Expense Disregard~~
~~\$385~~
~~= 30~~ ~~\$30 disregard~~
~~\$355~~

~~-118~~ 1/3 disregard
~~\$237~~ Net Nonexempt Income (NNI)

\$ 350 Minor's net income
~~+237~~ Senior Parent's NNI
\$ 587 AU's total income

\$872* MBSAC for 4
~~-587~~ AU's income
\$285 Potential grant

\$285 < \$707* (Non-Exempt MAP for 4)
\$293* Non-Exempt MAP for 1
\$293 GRANT AMOUNT

~~*The MBSAC and MAP amounts are subject to change. The MAP amounts assume that both the senior and minor parents are eligible for the Non-Exempt MAP amounts. See Handbook Section 44-315.311 for currently applicable amounts.~~

HANDBOOK ENDS HERE

.64 Minor Meets Exemption (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11008.14 (Ch. 270, Stats. 1997), 11254, 11451.5 (Ch. 270, Stats. 1997), and 16506(d), Welfare and Institutions Code and 42 USCA 608(a)(5).

ATTACHMENT 2

NOA MESSAGES

Action	Type	Revision	NOA #
Inform	Hardship Supplement	Obsolete	M44-400A
Approval	Application Processing	Modified the instructions to pull the reference to the NA 271 as a second page.	M40-171C
Approval	Hardship Supplement	Changed the RISP computation.	M44-401A
Partial Approval	Income Eligibility, F.E. Test	Changed the regulation cites, deleted “some of “ and “part of” in reference to “your parent’s income.” Deleted the sentence “We figured how much of you parent’s income we used on the next page.” Added the special budget for minor parent computation and modified instructions to pull the reference to the NA 271.	M44-133T
Partial Approval	Income Eligibility, 185% Test	Obsolete	M44-133U
Deny	Income Eligibility, F.E. Test	Changed the regulation cites.	M44-207J
Deny	Hardship Supplement	Changed “basic aid” to “maximum aid payment” and the RISP computation.	M44-401B
Change	Income Eligibility, End of Deeming	Changed the regulation cite and deleted “part of” in reference to “your parent’s income.”	M44-133D
Change	Income Eligibility, Minor Parent - 185%	Obsolete	M44-133R
Change	Income Eligibility, Minor Parent - F.E.	Changed the regulation cites, deleted “some of “ and “part of” in reference to “your parent’s income.” Deleted the sentence “We figured how much of you parent’s income we used on the next page.” Added the special budget for minor parent computation and modified instructions to pull the reference to the NA 271 and “185%”.	M44-133S

Action	Type	Revision	NOA #
Change	Income Eligibility, Suspend Minor Parent - F.E.	Changed the regulation cites, deleted “some of “ and “part of” in reference to “your parent’s income.” Deleted the sentence “We figured how much of you parent’s income we used on the next page.” Added the special budget for minor parent computation and modified instructions to pull the reference to the NA 271 and “185%”.	M44-133V
Change	Income Eligibility, Suspend Minor Parent - 185%	Obsolete	M44-133W
Change	Income Eligibility, Suspend part of AU when Minor Parent included - F.E.	Changed the regulation cites, added the special budget for minor parent computation and modified the instructions to pull “185%”.	M44-207K4
Change	Income Eligibility, Suspend part of AU when Minor Parent included - 185%	Obsolete	M44-207K5
Change	Income	Changed the regulation cite.	M44-113G1
Change	Income	Changed the regulation cite and deleted “some of” in reference to “your parent’s income.” Deleted the sentence “We figured how much of you parent’s income we used on the next page.”	M44-133Q
Change	Disallowance of Disregards	Changed the regulation cite.	M44-113A
Suspend	Income - 185%	Obsolete	M44-207E
Suspend	Income Eligibility, F.E.	Changed the regulation cite.	M44-207L
Discontinue	Income - JTPA, F.E.	Obsolete	M44-111R
Discontinue	Income - 185%	Obsolete	M44-207D
Discontinue	Income - F.E.	Changed the regulation cite.	M44-207K

Issue: Application Processing
Title: Basic Approval

Auto ID No.:
Source :
Issued by :
Reg Cite : 40-171.2, 40-129, 44-315
44-317

Use Form No. :NA 290
Original Date :02-01-97
Revision Date :06-01-98

MESSAGE:

The County has approved your cash aid and Medi-Cal. The cash aid payment for your first month of aid is \$_____.

Your first day of cash aid is _____. Your first day of Medi-Cal is the first day of the month you applied for aid.

[] The cash aid payment for your first month of aid is only for a part of a month. It is for the time from your first day of cash aid, show above, through the end of the month. If nothing changes, next month's cash aid will be for a full month.

[] You asked for an Immediate Need payment. Your immediate need is being met with a payment of your first month's cash aid within the immediate need time limit of 1 working day.

Your cash aid is figured on this page.

INSTRUCTIONS: Use for approvals and restorations FOR CASES WHICH INCLUDE MINOR PARENTS. Check the applicable box(es). When you check the immediate need box, you will not need to send a separate notice to the applicant denying the immediate need request.

Print message on NA 290 with special budget in right column. Budget includes language to accommodate the comparison of MAP for the minor parent's child(ren).

This message replaces M40-171C dated 01-01-98 released in Errata to ACL 97-59.

file: pkian/MSERIES/40171c

Section A. Countable Income, Month of

Total Business Income	\$	
Business Expenses:		
a. 40% Standard.....	-	
OR		
b. Actual	-	
Net Earnings from Self-Employment.....	=	
 Total Disability-Based Unearned Income of (Assistance Unit+ Non-Assistance Unit Members)	\$	
\$225 Disregard.....	-	
Nonexempt Unearned Disability-Based Income	=	
OR		
Unused Amount of \$225 Disregard.....	=	
 Total Earned Income.....	\$	
Net Earnings from Self-Employment (from above)	+	
Subtotal.....	=	
Unused Amount of \$225 Disregard (from above)	-	
Subtotal.....	=	
Earned Income Disregard 50%	-	
Subtotal.....	=	
Nonexempt Unearned Disability-Based Income (from above).....	+	
Other Nonexempt Income of (Assistance Unit + Non-Assistance Unit Members).....	+	
	+	
Net Countable Income	=	

Section B. Your Cash Aid, Month of

1. Maximum Aid, ___ Persons (Assistance Unit + Non-Assistance Unit Members).....	\$	
2. Special Needs (Assistance Unit + Non- Assistance Unit Members).....	+	
3. Net Countable Income from Section A....	-	
4. Subtotal.....	=	
 5. Maximum Aid, ___ Persons (Assistance Unit only) (Excluding Sanctioned Persons).....	\$	
6. Special Needs (Assistance Unit only)...	+	
7. Maximum Aid Subtotal.....	=	
8. Full Month Aid Subtotal		
(Lowest Amount on Line 4 or 7).....	=	
 9. Maximum Aid for Minor parent's ___ eligible child(ren).....	\$	
10. Special Needs.....	+	
11. Minor parent's child(ren) Subtotal...	=	
12. Full Month Aid Subtotal (Greater Amount on Line 8 or 11)....	=	
13. Line 12 Prorated for Part of Month...	=	
14. Adjustments: 25% Child Support Sanction Overpayment.....	-	
14a. Other Sanctions.....	-	
14b. Bonus.....	+	
15. Monthly Cash Aid Amount (Line 12 or 13 Adjusted).....	=	

State of California
Department of Social Services

Noa Msg Doc No.: M44-401A Page 1 of 2
Action :Approve
Issue: Hardship Supplement
Title: Reduced Income Supplemental Pmt

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-401.2; W&IC 11450.2

Use Form No. :NA 290
Original Date :01-01-87
Revision Date :06-01-98

MESSAGE:

The County has approved your application for
a reduced income supplemental payment dated

_____.

The amount of your supplement is figured on
this page.

You must apply for a supplemental payment in
each month you think you should get it.

Supplemental Payment Amount for	_____
Total Disability-Based Unearned Income of AU + Non-AU Members	\$_____
\$225 Disregard	-_____
Subtotal Nonexempt Disability- Based Unearned Income	=_____
Earned Income	\$_____
Less \$225 remainder	-_____
Subtotal	=_____
50% Disregard	-_____
Subtotal	=_____
Nonexempt Disability-Based Unearned Income (from above)	+_____
Other Countable Income	+_____
Net Nonexempt Income	=_____
Aid before O/P Adjustment	+_____
Child/Spousal Support Disregard	+_____
Penalties	+_____
Total Available Income	=_____
80% of MAP	\$_____
Total Available Income(from above)	-_____
RISP Payment	\$_____

Noa Msg Doc No.: M44-401A Page 2 of 2
Original Date : 01-01-87
Revision Date : 06-01-98

INSTRUCTIONS: Use to notify an AU that its request for a hardship supplemental payment has been approved. Fill in the postmark date or date of county receipt of the request for RISP (MPP Section 44-401). Fill in the month for which supplemental payment is requested.

Print the message on NA 290 with RISP computation in the right column.

The element "Aid before O/P Adjustment" must incorporate all allowable income disregards for the client.

This message replaces M44-401A dated 8-23-90.

file: pkian/MSERIES/44401a

State of California
Department of Social Services

Noa Msg Doc No. :M44-133T Page 1 of 2
Action :Partial Approval
Issue: Income Eligibility
Title: Minor Parent, Fin. Eligibility

Auto ID No.:
Source :
Issued by :
Reg Cite : 40-171.2, 44-133.5, 44-207.1,
44-315, 44-317, 89-201.5,
W&IC 11450(a), 11450.12(b), 11451.5

Use Form No. : NA 290
Original Date : 11-01-96
Revision Date :06-01-98

MESSAGE:

As of _____, the County has approved cash aid and Medi-Cal for some members of your family. The first day of cash aid is _____. The first month's cash aid amount is \$_____.

Aid has been denied for _____.

Here's why:

You can not get cash aid if your net countable income is more than the need standard set by the state.

When you are pregnant or a parent and under age 18 living with your parent, your parent's income is counted to figure your cash aid. When we count their income, your total income is over the limit.

Since we do not count your parent's income to your child, he/she is still eligible to get cash aid.

The cash aid is figured on this page.

INSTRUCTIONS: Use to partially approve minor parent cases when the family's income (AU + Non-AU) causes the minor parent to exceed MBSAC which results in only the baby being aided.

Print message on NA 290 with special budget in right column. Budget includes language to accommodate the comparison of MAP for the minor parent's child(ren).

Use NA 301 (6/98) F.E. applicant test as a second page. Fill in the computation.

This message replaces M44-133T dated 01-01-98.

file: pkian/MSERIES/44133t

Section A. Countable Income, Month of

Total Business Income	\$	
Business Expenses:		
a. 40% Standard.....	-	
OR		
b. Actual	-	
Net Earnings from Self-Employment.....	=	
 Total Disability-Based Unearned Income of (Assistance Unit+ Non-Assistance Unit Members)	\$	
\$225 Disregard.....	-	
Nonexempt Unearned Disability-Based Income	=	
OR		
Unused Amount of \$225 Disregard.....	=	
 Total Earned Income.....	\$	
Net Earnings from Self-Employment (from above)	+	
Subtotal.....	=	
Unused Amount of \$225 Disregard (from above)	-	
Subtotal.....	=	
Earned Income Disregard 50%.....	-	
Subtotal.....	=	
Nonexempt Unearned Disability-Based Income (from above).....	+	
Other Nonexempt Income of (Assistance Unit + Non-Assistance Unit Members).....	+	
	+	
Net Countable Income	=	

Section B. Your Cash Aid, Month of

1. Maximum Aid, ____ Persons (Assistance Unit + Non-Assistance Unit Members).....	\$	
2. Special Needs (Assistance Unit + Non- Assistance Unit Members).....	+	
3. Net Countable Income from Section A....	-	
4. Subtotal.....	=	
 5. Maximum Aid, ____ Persons (Assistance Unit only) (Excluding Sanctioned Persons).....	\$	
6. Special Needs (Assistance Unit only)...	+	
7. Maximum Aid Subtotal.....	=	
8. Full Month Aid Subtotal		
(Lowest Amount on Line 4 or 7).....	=	
 9. Maximum Aid for Minor parent's ____ eligible child(ren).....	\$	
10. Special Needs.....	+	
11. Minor parent's child(ren) Subtotal...	=	
12. Full Month Aid Subtotal		
(Greater Amount on Line 8 or 11)....	=	
13. Line 12 Prorated for Part of Month...	=	
14. Adjustments: 25% Child Support Sanction Overpayment.....	-	
14a. Other Sanctions.....	-	
14b. Bonus.....	+	
15. Monthly Cash Aid Amount		
(Line 12 or 13 Adjusted).....	=	

State of California
Department of Social Services

Noa Msg Doc No.: M44-207J Page 1 of 1
Action : Denial
Issue: Income
Title: Financial Eligibility

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-207.1 & .2, W&IC 11450.12(a)

Use Form No.: NA 213
Original Date : 05-01-87
Revision Date : 06-01-98

MESSAGE:

The County has denied your application for
cash aid dated _____.

Here's why:

You can not get cash aid if your family's net
countable income is more than the need
standard set by the state.

Your family's needs and income are figured on
this page.

INSTRUCTIONS: Use to deny cash aid when the family's income (AU + Non-AU
members) is more than MBSAC. Use on new NA 213.

This message replaces M44-207J dated 01-01-98.

file: pkian/MSERIES/44207j

State of California
Department of Social Services

Noa Msg Doc No.: M44-401B Page 1 of 2
Action : Deny
Issue: Hardship Supplement
Title: Reduced Income Supplemental Paymnt

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-401.2; W&IC 11450.2

Use Form No. :NA 290
Original Date :01-01-87
Revision Date :06-01-98

MESSAGE:

The County has denied your application for a
reduced income supplemental payment dated

_____.

Here's Why:

Your "total available income" this month is
more than 80% of the maximum aid payment you
would get if you had no income.

Your total available income and 80% of your
maximum aid payment amount are figured on
this page.

Supplemental Payment Amount for	_____
Total Disability-Based Unearned Income of AU + Non-AU Members	\$_____
\$225 Disregard	-_____
Subtotal Nonexempt Disability- Based Unearned Income	=_____
Earned Income	\$_____
Less \$225 remainder	-_____
Subtotal	=_____
50% Disregard	-_____
Subtotal	=_____
Nonexempt Disability-Based Unearned Income (from above)	+_____
Other Countable Income	+_____
Net Nonexempt Income	=_____
Aid before O/P Adjustment	+_____
Child/Spousal Support Disregard	+_____
Penalties	+_____
Total Available Income	=_____
80% of MAP	\$_____
Total Available Income(from above)	-_____
RISP Payment	\$_____

INSTRUCTIONS: Use to deny a request for a hardship supplemental payment when the net available income exceeds 80% of MAP. Fill in the postmark date or date of county receipt of the request for RISP (MPP Section 44-401.232).

Print message on NA 290 with RISP computation in right column.

The element "Aid before O/P Adjustment" must incorporate all allowable income disregards for the client.

This message replaces M44-401B dated 8-23-90.

file: pkian/MSERIES/44401b

State of California
Department of Social Services

Noa Msg Doc No.: M44-133D Page 1 of 1
Action : Change
Issue: Income Eligibility
Title: 18 Year Old, End of Deeming

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-101, 44-133.1

Use Form No. : NA 200
Original Date : 09-01-87
Revision Date : 06-01-98

MESSAGE:

As of _____, the County is changing your
cash aid from \$_____ to \$_____.

Here's why:

Since you are 18, we no longer count your
parent's income to figure your cash aid.

Now we only count the amount of money your
parent(s) give you and the amount they may
pay for your food, housing and utilities.

Your new cash aid is figured on this page.

INSTRUCTIONS: Use to change the amount of aid in cases in which a minor parent
has reached age 18 and the senior parent's income is no longer counted.

This message replaces M44-133D dated 11-01-96.

file : pkian/MSERIES/44133d

State of California
Department of Social Services

Noa Msg Doc No.: M44-133S Page 1 of 2
Action :Change
Issue: Income Eligibility
Title: Minor Parent, Fin. Eligibility

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-133.5, 44-207.2, 89-201.5,
W&IC 11450(a), 11450.12(b), 11451.5

Use Form No. : NA 290
Original Date :11-01-96
Revision Date :06-01-98

MESSAGE:

As of _____, the County is changing your
monthly cash aid from \$_____ to \$_____.

Here's why:

Cash aid for _____ is being stopped.

You can not get cash aid if your net
countable income is more than the maximum aid
payment set by the state.

When you are pregnant or a parent and under
age 18 living with your parent, your parent's
income is counted to figure your cash aid.
When we count their income, your total income
is over the limit.

Since we do not count your parent's income to
your child, he/she is still eligible to get
cash aid.

The new cash aid is figured on this page.

INSTRUCTIONS: Use to change the amount of aid in minor parent cases when
the family's income (AU + Non-AU) causes the minor parent to exceed MAP.
Delete the minor parent and issue MAP for the baby only.

Print message on NA 290 with special budget in right column. Budget
includes language to accommodate the comparison of MAP for the minor
parent's child(ren).

Use NA 300 (6/98) F.E. tests as a second page. Fill in the computation.

This message replaces M44-133S dated 01-01-98.

file: pkian/MSERIES/44133s

Section A. Countable Income, Month of

Total Business Income	\$	
Business Expenses:		
a. 40% Standard.....	-	
OR		
b. Actual	-	
Net Earnings from Self-Employment.....	=	
 Total Disability-Based Unearned Income of (Assistance Unit+ Non-Assistance Unit Members)	\$	
\$225 Disregard.....	-	
Nonexempt Unearned Disability-Based Income	=	
OR		
Unused Amount of \$225 Disregard.....	=	
 Total Earned Income.....	\$	
Net Earnings from Self-Employment (from above)	+	
Subtotal.....	=	
Unused Amount of \$225 Disregard (from above)	-	
Subtotal.....	=	
Earned Income Disregard 50%	-	
Subtotal.....	=	
Nonexempt Unearned Disability-Based Income (from above).....	+	
Other Nonexempt Income of (Assistance Unit + Non-Assistance Unit Members).....	+	
	+	
Net Countable Income	=	

Section B. Your Cash Aid, Month of

1. Maximum Aid, ___ Persons (Assistance Unit + Non-Assistance Unit Members).....	\$	
2. Special Needs (Assistance Unit + Non- Assistance Unit Members).....	+	
3. Net Countable Income from Section A....	-	
4. Subtotal.....	=	
 5. Maximum Aid, ___ Persons (Assistance Unit only) (Excluding Sanctioned Persons).....	\$	
6. Special Needs (Assistance Unit only)...	+	
7. Maximum Aid Subtotal.....	=	
8. Full Month Aid Subtotal		
(Lowest Amount on Line 4 or 7).....	=	
 9. Maximum Aid for Minor parent's ___ eligible child(ren).....	\$	
10. Special Needs.....	+	
11. Minor parent's child(ren) Subtotal...	=	
12. Full Month Aid Subtotal (Greater Amount on Line 8 or 11)....	=	
13. Line 12 Prorated for Part of Month...	=	
14. Adjustments: 25% Child Support Sanction Overpayment.....	-	
14a. Other Sanctions.....	-	
14b. Bonus.....	+	
15. Monthly Cash Aid Amount (Line 12 or 13 Adjusted).....	=	

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-133.5, 44-207.2, 44-315.8, 89-201.5,
W&IC 11450(a), 11450.12(b), 11451.5

MESSAGE:

As of _____, the County is changing your
monthly cash aid from \$_____ to \$_____.

Here's why:

Cash aid for _____ is being stopped
for the month of _____.

You can not get cash aid if your net
countable income is more than the maximum aid
payment set by the state.

When you are pregnant or a parent and under
age 18 living with your parent, your parent's
income is counted to figure your cash aid.
When we count their income, your total income
is over the limit.

Since we do not count your parent's income to
your child, he/she is still eligible to get
cash aid.

You may get cash aid again for yourself, if
your countable income is less than the
maximum aid payment. For us to know this,
you must still turn in a complete monthly
eligibility report (CA 7/SAWS 7) and a Senior
Parent Report (CA 73).

You may be able to get a Reduced Income
Supplemental Payment for the month you are
not on cash aid. Call you worker and ask for
a Reduced Income Supplemental Request Form,
(CA 40).

The new cash aid is figured on this page.

INSTRUCTIONS: Use to change the amount of aid in minor parent cases when
the family's income (AU + Non-AU) causes the minor parent to exceed MAP for
one month which results only the baby receiving MAP. Use NA 300 (6/98)
F.E. test as a second page. Fill in the computation. Print message on NA 290
with special budget in right column. Budget includes language to
accommodate the comparison of MAP for the minor parent's child(ren).

This message replaces M44-133V dated 01-01-98.

file: pkian/MSERIES/44133v

Department of Social Services

Original Date

: 02-01-97

Revision Date

: 06-01-98

Section A. Countable Income, Month of _____

Total Business Income \$ _____

Business Expenses:

a. 40% Standard..... - _____

OR

b. Actual - _____

Net Earnings from Self-Employment..... = _____

Total Disability-Based Unearned Income of
(Assistance Unit+ Non-Assistance Unit Members) \$ _____

\$225 Disregard..... - _____

Nonexempt Unearned Disability-Based Income = _____

OR

Unused Amount of \$225 Disregard..... = _____

Total Earned Income..... \$ _____

Net Earnings from Self-Employment (from above) + _____

Subtotal..... = _____

Unused Amount of \$225 Disregard (from above) - _____

Subtotal..... = _____

Earned Income Disregard 50% - _____

Subtotal..... = _____

Nonexempt Unearned Disability-Based Income
(from above)..... + _____

Other Nonexempt Income of (Assistance Unit
+ Non-Assistance Unit Members)..... + _____

_____ + _____

Net Countable Income..... = _____

Section B. Your Cash Aid, Month of _____

1. Maximum Aid, _____ Persons (Assistance Unit
+ Non-Assistance Unit Members)..... \$ _____

2. Special Needs (Assistance Unit + Non-
Assistance Unit Members)..... + _____

3. Net Countable Income from Section A.... - _____

4. Subtotal..... = _____

5. Maximum Aid, _____ Persons (Assistance Unit only)
(Excluding Sanctioned Persons)..... \$ _____

6. Special Needs (Assistance Unit only)... + _____

7. Maximum Aid Subtotal..... = _____

8. **Full Month Aid Subtotal**..... = _____
(Lowest Amount on Line 4 or 7).....

9. Maximum Aid for Minor parent's
_____ eligible child(ren)..... \$ _____

10. Special Needs..... + _____

11. Minor parent's child(ren) Subtotal... = _____

12. **Full Month Aid Subtotal**
(Greater Amount on Line 8 or 11).... = _____

13. Line 12 Prorated for Part of Month... = _____

14. Adjustments: 25% Child Support Sanction - _____

Overpayment..... - _____

14a. Other Sanctions..... - _____

14b. Bonus..... + _____

15. **Monthly Cash Aid Amount**
(Line 12 or 13 Adjusted)..... = _____

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-207.2, 44-315.8, 89-201.5,
W&IC 11450.12(b)

Use Form No. : NA 290
Original Date : 02-01-97
Revision Date : 06-01-98

MESSAGE:

As of _____, the County is changing your
monthly cash aid from \$_____ to \$_____.

Here's why:

Cash aid for _____ is being stopped
for the month of _____.

You have been getting cash aid for a family
of __ persons. This group is not eligible to
get cash aid for one month because the net
countable income is more than the maximum aid
payment set by the state.

The new cash aid is figured for _____.
Since we do not count your income to your
grandchild, he/she is still eligible to get
cash aid.

You must turn in your monthly eligibility
report (CA 7/SAWS 7).

You may be able to get a Reduced Income
Supplemental Payment for the month you are
not on cash aid. Call your worker and ask
for a Reduced Income Supplemental Request
Form, (CA 40).

Your family's needs and income are figured on
the next page.

The new cash aid is figured on this page.

INSTRUCTIONS: Use to change the amount of aid FOR CASES WHICH INCLUDE
MINOR PARENTS when a family's income (AU + Non-AU members) exceeds MAP
making them ineligible as a group for one month only, but the minor's
child remains eligible.

Print message on NA 290 with special budget in right column. Budget
includes language to accommodate the comparison of MAP for the minor
parent's child(ren). Use NA 300 (6/98) F.E. as a second page. Fill in
the computation.

This message replaces M44-207K4 dated 01-01-98.

file: pkian/MSERIES/44207k4

Department of Social Services

Original Date

: 02-01-97

Revision Date

: 06-01-98

Section A. Countable Income, Month of _____

Total Business Income \$ _____

Business Expenses:

a. 40% Standard..... - _____
OR

b. Actual - _____

Net Earnings from Self-Employment..... = _____

Total Disability-Based Unearned Income of
(Assistance Unit+ Non-Assistance Unit Members) \$ _____

\$225 Disregard..... - _____

Nonexempt Unearned Disability-Based Income = _____

OR

Unused Amount of \$225 Disregard..... = _____

Total Earned Income..... \$ _____

Net Earnings from Self-Employment (from above) + _____

Subtotal..... = _____

Unused Amount of \$225 Disregard (from above) - _____

Subtotal..... = _____

Earned Income Disregard 50% - _____

Subtotal..... = _____

Nonexempt Unearned Disability-Based Income
(from above)..... + _____

Other Nonexempt Income of (Assistance Unit
+ Non-Assistance Unit Members)..... + _____

_____ + _____

Net Countable Income..... = _____

Section B. Your Cash Aid, Month of _____

1. Maximum Aid, _____ Persons (Assistance Unit
+ Non-Assistance Unit Members)..... \$ _____

2. Special Needs (Assistance Unit + Non-
Assistance Unit Members)..... + _____

3. Net Countable Income from Section A.... - _____

4. Subtotal..... = _____

5. Maximum Aid, _____ Persons (Assistance Unit only)
(Excluding Sanctioned Persons)..... \$ _____

6. Special Needs (Assistance Unit only)... + _____

7. Maximum Aid Subtotal..... = _____

8. **Full Month Aid Subtotal**.....
(Lowest Amount on Line 4 or 7)..... = _____

9. Maximum Aid for Minor parent's
_____ eligible child(ren)..... \$ _____

10. Special Needs..... + _____

11. Minor parent's child(ren) Subtotal... = _____

12. **Full Month Aid Subtotal**
(Greater Amount on Line 8 or 11)..... = _____

13. Line 12 Prorated for Part of Month... = _____

14. Adjustments: 25% Child Support Sanction - _____

Overpayment..... - _____

14a. Other Sanctions..... - _____

14b. Bonus..... + _____

15. **Monthly Cash Aid Amount**
(Line 12 or 13 Adjusted)..... = _____

State of California
Department of Social Services

Noa Msg Doc No.: M44-113G1 Page 1 of 2
Action : Change
Issue: Income
Title: Change in Income

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-100, 89-201.5

Use Form No. : NA 290
Original Date : 02-01-97
Revision Date : 06-01-98

MESSAGE:

As of _____, the County is changing your
monthly cash aid from \$_____ to \$_____.

Here's why:

Your family income has changed. When your
income changes, your cash aid amount also
changes.

Your new cash aid amount is figured on this
page.

INSTRUCTIONS: Use to change the grant amount FOR CASES WHICH INCLUDE MINOR PARENTS
when an assistance unit (AU) reports a change in income.

Print message on NA 290 with special budget in right column. Budget
includes language to accommodate the comparison of MAP for the minor
parent's child(ren).

This message replaces M44-113G1 dated 01-01-98 released in Errata to
ACL 97-59.

file: pkian/MSERIES/44113g1

Section A. Countable Income, Month of

Total Business Income	\$	
Business Expenses:		
a. 40% Standard.....	-	
OR		
b. Actual	-	
Net Earnings from Self-Employment.....	=	
 Total Disability-Based Unearned Income of (Assistance Unit+ Non-Assistance Unit Members)	\$	
\$225 Disregard.....	-	
Nonexempt Unearned Disability-Based Income	=	
OR		
Unused Amount of \$225 Disregard.....	=	
 Total Earned Income.....	\$	
Net Earnings from Self-Employment (from above)	+	
Subtotal.....	=	
Unused Amount of \$225 Disregard (from above)	-	
Subtotal.....	=	
Earned Income Disregard 50%	-	
Subtotal.....	=	
Nonexempt Unearned Disability-Based Income (from above).....	+	
Other Nonexempt Income of (Assistance Unit + Non-Assistance Unit Members).....	+	
	+	
Net Countable Income	=	

Section B. Your Cash Aid, Month of

1. Maximum Aid, ___ Persons (Assistance Unit + Non-Assistance Unit Members).....	\$	
2. Special Needs (Assistance Unit + Non- Assistance Unit Members).....	+	
3. Net Countable Income from Section A....	-	
4. Subtotal.....	=	
 5. Maximum Aid, ___ Persons (Assistance Unit only) (Excluding Sanctioned Persons).....	\$	
6. Special Needs (Assistance Unit only)...	+	
7. Maximum Aid Subtotal.....	=	
8. Full Month Aid Subtotal		
(Lowest Amount on Line 4 or 7).....	=	
 9. Maximum Aid for Minor parent's ___ eligible child(ren).....	\$	
10. Special Needs.....	+	
11. Minor parent's child(ren) Subtotal...	=	
12. Full Month Aid Subtotal		
(Greater Amount on Line 8 or 11)....	=	
13. Line 12 Prorated for Part of Month...	=	
14. Adjustments: 25% Child Support Sanction Overpayment.....	-	
14a. Other Sanctions.....	-	
14b. Bonus.....	+	
15. Monthly Cash Aid Amount		
(Line 12 or 13 Adjusted).....	=	

Auto ID No.:

Use Form No. : NA 290

Source :

Original Date : 02-01-97

Issued by :

Revision Date : 06-01-98

Reg Cite : 44-133.5, 89-201.5

MESSAGE:

As of _____, the County is changing your
monthly cash aid from \$_____ to \$_____.

Here's why:

Your parent's income has changed.

When you are pregnant or a parent and under
age 18 living with your parent, your parent's
income is counted to figure your cash aid.
When their income changes, your income also
changes.

Your new cash aid amount is figured on this
page.

INSTRUCTIONS: Use to change the grant amount in minor parent cases when a
change in the family's income (AU + Non-AU) causes the minor parent's income
to change.

Print message on NA 290 with special budget in right column. Budget
includes language to accommodate the comparison of MAP for the minor
parent's child(ren).

This message replaces M44-133Q dated 01-01-98 released in Errata to
ACL 97-59.

file: pkian/MSERIES/44133q

Section A. Countable Income, Month of

Total Business Income	\$	
Business Expenses:		
a. 40% Standard.....	-	
OR		
b. Actual	-	
Net Earnings from Self-Employment.....	=	
 Total Disability-Based Unearned Income of (Assistance Unit+ Non-Assistance Unit Members)	\$	
\$225 Disregard.....	-	
Nonexempt Unearned Disability-Based Income	=	
OR		
Unused Amount of \$225 Disregard.....	=	
 Total Earned Income.....	\$	
Net Earnings from Self-Employment (from above)	+	
Subtotal.....	=	
Unused Amount of \$225 Disregard (from above)	-	
Subtotal.....	=	
Earned Income Disregard 50%.....	-	
Subtotal.....	=	
Nonexempt Unearned Disability-Based Income (from above).....	+	
Other Nonexempt Income of (Assistance Unit + Non-Assistance Unit Members).....	+	
	+	
Net Countable Income	=	

Section B. Your Cash Aid, Month of

1. Maximum Aid, ____ Persons (Assistance Unit + Non-Assistance Unit Members).....	\$	
2. Special Needs (Assistance Unit + Non- Assistance Unit Members).....	+	
3. Net Countable Income from Section A....	-	
4. Subtotal.....	=	
 5. Maximum Aid, ____ Persons (Assistance Unit only) (Excluding Sanctioned Persons).....	\$	
6. Special Needs (Assistance Unit only)...	+	
7. Maximum Aid Subtotal.....	=	
8. Full Month Aid Subtotal		
(Lowest Amount on Line 4 or 7).....	=	
 9. Maximum Aid for Minor parent's ____ eligible child(ren).....	\$	
10. Special Needs.....	+	
11. Minor parent's child(ren) Subtotal...	=	
12. Full Month Aid Subtotal		
(Greater Amount on Line 8 or 11)....	=	
13. Line 12 Prorated for Part of Month...	=	
14. Adjustments: 25% Child Support Sanction Overpayment.....	-	
14a. Other Sanctions.....	-	
14b. Bonus.....	+	
15. Monthly Cash Aid Amount		
(Line 12 or 13 Adjusted).....	=	

State of California
Department of Social Services

Noa Msg Doc No.: M44-113A Page 1 of 1
Action :Change
Issue: Disallowance
Title: Disallowance of Deductions

Auto ID No.:
Source :
Issued by :
Reg Cite :40-181.244, 44-113.212(a)(2)

Use Form No. : NA 200
Original Date : 05-01-87
Revision Date : 06-01-98

MESSAGE:

As of _____, the County is changing your
monthly cash aid from \$_____ to \$_____.

Here's why:

We did not allow the deduction you usually
get because you did not give us the required
information or written proof about:

Self-Employment Expenses.

Your cash aid amount goes down when we do not
allow all your deductions.

Send or bring us the proof or information so
that we can re-figure your cash aid amount.

Your new cash aid amount is figured on this
page.

INSTRUCTIONS: Use to change the monthly grant when those who claim actual self
employment deductions are disallowed because required information or written proof
was not provided. Use only for situations where the lack of information does NOT
result in a determination that the CA 7 or SAWS 7 monthly report is incomplete.
Show the specific expense(s) being disallowed.

This message replaces M44-113A dated 01-01-98.

file: pkian/MSERIES/44113a

State of California
Department of Social Services

Noa Msg Doc No.: M44-207L Page 1 of 1
Action :Suspend
Issue: Income Eligibility
Title: Financial Eligibility Test

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-207.2, W&IC 11450.12(b)

Use Form No. : NA 210
Original Date : 05-01-87
Revision Date : 06-01-98

MESSAGE:

The County is stopping your cash aid for the month of _____.

Here's why:

You can not get cash aid if your family's net countable income is more than the maximum aid payment set by the state. Your income was more than your maximum aid payment for only one month so your cash aid will stop for only one month.

You must still turn in your monthly eligibility report (CA 7/SAWS 7).

You may be able to get a Reduced Income Supplemental Payment for the month you are not on cash aid. Call your worker and ask for a Reduced Income Supplemental Request Form, (CA 40).

Your family's need and income are figured on this page.

INSTRUCTIONS: Use to suspend the cash aid when the family's income (AU + Non-AU members) is more than MAP.

This message replaces M44-207L dated 01-01-98.

file: pkian/MSERIES/442071

State of California
Department of Social Services

Noa Msg Doc No.: M44-207K Page 1 of 1
Action : Discontinue
Issue: Income
Title: Financial Eligibility

Auto ID No.:
Source :
Issued by :
Reg Cite : 44-207.2, W&IC 11450.12(b)

Use Form No. : NA 210
Original Date : 05-01-87
Revision Date : 06-01-98

MESSAGE:

As of _____, the County is stopping your cash aid.

Here's why:

You can not get cash aid if your family's net countable income is more than the maximum aid payment set by the state.

Your family's needs and income are figured on this page.

INSTRUCTIONS: Use to discontinue cash aid when the family's income (AU + Non-AU members) is more than MAP.

This message replaces M44-207K dated 01-01-98.

file: pkian/MSERIES/44207k